



SASPL HR Manual

The SASPL HR Manual establishes the human resource policies, procedures, and controls applicable to all employees of Setco Auto Systems Private Limited (SASPL). It provides a standardized framework to ensure consistency, transparency, and compliance with applicable legal, regulatory, and organizational requirements. The manual outlines key HR processes including employment practices, compensation and benefits, leave administration, performance management, training and development, employee conduct, workplace ethics, and separation. Its objective is to support effective workforce management, promote ethical behaviour, and align employee practices with the Company's objectives. This manual is subject to periodic review and amendment by Management.

SASPL 2026

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Introduction

The policies described in the manual shall be applicable to the employees of the **Setco Auto Systems Private Limited**.

The policies shall cover all the companies falling under the aegis of Setco Auto Systems Private Limited and its Indian subsidiaries (and including the locations and Field Personnel):

- Corporate Office (Mumbai)
- Manufacturing unit at Kalol (Hereinafter 'Kalol Unit')
- Manufacturing unit at Sitarganj (Hereinafter 'Sitarganj Unit')
- R& D Office Chennai & Pune
- Noida Office
- SETCO Foundation

Definitions

- For the purpose of policy details, the employees have been broadly classified into
 - Management Personnel
 - Staff
 - Workmen
- Management Personnel shall include employees working in capacity of Assistant Manager (including Management Trainees) to the top management.
- Staff: All personnel working in capacity of Engineers, Executives, Assistants, Secretaries and the like.
- Workmen: Any employee involved in manual/ mechanical job, and shall include Operators, Inspectors, Fitters, Helpers and the like.

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Objective:

The purpose of this Policy is to define the standards of professional and personal conduct expected from all individuals associated with SASPL. This Policy establishes a structured framework for maintaining a safe, ethical, respectful, and harmonious work environment while safeguarding the Company's operational integrity, core values, corporate reputation, and brand image, and preventing harassment and other forms of inappropriate workplace conduct.

Scope and framework for workplace behaviour

This Policy applies to all individuals associated with SASPL, including permanent and contractual employees, workmen, trainees, apprentices, consultants, associates, interns, and any other personnel engaged by the company on a full-time, part-time, temporary or project-based basis.

Individual shall abide by the code of conduct of the company. Any event of misconduct may result in disciplinary action, including discharge from services. Misconduct includes, but is not limited to the following:

- I. Unexcused or repeated absence.
- II. Providing false information regarding personal data, qualifications, previous employment and / or any such information demanded or required to be provided to the company at any point of time.
- III. Leaving the work premises during working hours without prior authorization.
- IV. Reporting to work under influence of alcohol or illegal drugs.
- V. Smoking, chewing tobacco and/ or possession of alcohol or illegal drugs while on work premises.
- VI. Engaging in rude or violent behaviour towards co-workers/ subordinates/superiors/ customers/ vendors.
- VII. Use of obscene gestures, profanity or disrespectful language with co-workers/ subordinates/superiors/ customers/ vendors.
- VIII. Disclosing confidential information pertaining to the company's business.

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- IX. Falsifying or destroying any work-related records.
- X. Knowingly or recklessly doing, writing or saying anything which is likely to bring the Company to disrepute or cause damage to the Company or any of its employees.
- XI. Conflict of Interest: Engaging in personal, romantic, or intimate relationships with fellow employees where a direct reporting line, supervisory role, or power hierarchy exists, or failing to disclose such relationships to Human Resources, thereby resulting in professional bias, favouritism, or a breach of fiduciary duties toward the Company.
- XII. Reputation & scandalous behaviour: Engaging in any personal conduct, marital or extra-marital disputes, or affairs—whether inside or outside the workplace—that culminates in a public scandal,
- XIII. legal entanglement, or an act of moral turpitude that severely damages the Company's brand identity, client relations, or workplace operational discipline.
- XIV. Indulging in theft, fraud, bribery, forgery, any criminal or otherwise inappropriate conduct, whether occurring within or outside the workplace, which may negatively impact the company.
- XV. Violation of any company policy or rule, including the other policies of the company.
- XVI. Any other act/ activity that in the opinion of the company may tantamount to misconduct.

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Keeping in line with its commitment towards providing its employees a safe working environment, Setco Group Management endeavors to create a smoke-free and tobacco-free premise and protect employees' right to work in a healthy, smoke free environment.

Further to the Code of Conduct, the purpose of this document is to underline the 'no tolerance' towards smoking and disciplinary action involved in the event of violation.

The Company shall place '**No Smoking**' sign at each entrance and exit of the workplace and in sufficient numbers to ensure that employees and the public are aware that smoking is not permitted in the area.

Smoking or use of other tobacco products (including, but not limited to, cigarettes, pipes, cigars, or chewing tobacco / gutkha) is NOT permitted in any part of the building / office / site / factory including main entrance/ exit gates.

Use of such substances while on work premises shall be strictly prohibited

Employees may smoke outside in '**Designated Smoking Areas**' during breaks. All Units to provide 'Designated Smoking Areas' outside the premises, duly equipped with sand-filled container for ash & butt's disposal etc. to facilitate smokers. Such 'Designated Smoking Areas' shall be suitably marked with signage.

When smoking or otherwise using tobacco or similar products in designated areas, employees shall not leave cigarette butts / tobacco pouches / match boxes / match sticks or other traces of litter on the ground or anywhere else.

All employees are expected to abide by this policy in all respects while at work, whether on company premises or at Company provided accommodations eg. Transit Flats / Guest Houses or in Company Vehicles.

Any employee found in violation of the policy shall be liable to a penalty fine of Rs.500/- (Five Hundred only).

Employees who repeatedly violate this policy or are responsible for a serious smoking-related accident may face more severe consequences up to and including termination.

Visitors (including job applicants) will be informed of this policy through signs, and it will be explained by their respective hosts. Those not adhering to the policy will be asked to comply with the same.

	Setco Auto Systems Private Limited
	Title: Declaration Note on Code of Business Conduct

To our Employees,

The manner in which Setco conducts its business, and the opinion of our shareholders, employees, customers and the public, is very important to the continued success of Setco. Over the years Setco, through its commitment to integrity and honesty demonstrated by Setco's directors, managers and employees, has earned a reputation for adhering to the law and maintaining the highest level of honest and ethical conduct.

Setco's Policy states:

Setco conducts business so as to reflect the highest ethical standards, fulfill our legal obligations, and meet our social responsibilities. We strive to gain the favorable regard of customers, suppliers, shareholders, employees, governments, and the general public through superior performance and effective communications.

The purpose of this **Code of Business Conduct** is to comply with the law and heighten awareness of and sensitivity to the ethical aspects of our business so that we continue to uphold the principles in our daily decision making. It is the responsibility of each director, manager and employee of Setco to review the **Code of Business Conduct** and become familiar with how the **Code** applies to specific business situations. Every individual business action taken has an impact on Setco's excellent reputation. The important message being reiterated in the **Code of Business Conduct** is that everyone in Setco will comply with the law and the highest standards of honest and ethical conduct.

Harish Sheth,
Chairman

.....Tear off.....

DECLARATION

I, _____ hereby confirm that I have read and understood Setco Code of Business Conduct and understand that there may be additional Policies or Laws specific to my nature of work/position. Further I agree to comply with the same.

Employee Name:

Employee Code:

Designation:

Signature:

Place:

Date:

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1. Purpose of the Code of Business Conduct

In today's competitive business environment, building upon organizational strengths is essential. Setco Group (hereinafter referred to as "Setco") derives its strength not only from its quality product lines but also from its reputation for honest, ethical, and responsible conduct.

Every individual associated with Setco communicates the Company's values through their actions—as directors, managers, employees, and as responsible members of the community. Accordingly, each employee has a personal and professional responsibility to adhere to the principles and standards set forth in this Code of Business Conduct while performing their duties and during any outside activities that may affect or reflect upon the Company.

This Code establishes the ethical and legal framework within which Setco conducts its business and reinforces the Company's commitment to integrity, transparency, and compliance.

2. Laws Supporting the Code of Business Conduct

Setco conducts business across multiple regions and employs individuals in various countries. As a result, Setco's operations are subject to the laws, rules, and regulations of multiple jurisdictions, including but not limited to countries, states, provinces, and municipalities.

Since Setco is incorporated and headquartered in India, this Code of Business Conduct is based primarily on Indian laws and regulations, which may also apply to certain transactions occurring outside the territorial borders of India. The principles outlined in this Code are generally reflected in the laws of many jurisdictions where Setco operates.

In the event of a potential conflict between the laws of two or more jurisdictions, employees must seek guidance from the Setco Corporate Office to determine the applicable legal requirements and ensure appropriate compliance.

3. Applicability of the Code of Business Conduct

This Code of Business Conduct applies to all individuals associated with Setco, including:

- Directors
- Managers
- Employees (full-time and part-time)
- Consultants and retainers
- Employees of Setco subsidiaries

(collectively referred to as "Employees").

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All covered individuals are required to comply with this Code and with all applicable laws, rules, and regulations governing Setco and each of its business units. Compliance with this Code is a condition of association with Setco.

4. Penalties for Violations of the Code

Any Employee found to have violated this Code of Business Conduct, following a formal investigation by the Company, shall be subject to disciplinary action. Such action may include, but is not limited to, counseling, warnings, suspension, or termination of employment or engagement.

In determining the appropriate disciplinary action, Setco shall consider all relevant factors, including:

The nature and severity of the violation

- Whether the violation was an isolated incident or part of repeated misconduct
- Whether the violation was intentional or inadvertent
- Whether the individual had been previously advised on the correct course of action
- The individual's prior disciplinary or compliance history
- Any waiver of this Code involving a Director or Senior Executive may only be granted by the Board of Directors and shall be publicly disclosed to shareholders in an appropriate manner, in accordance with applicable laws and regulations.
- Where evidence of criminal wrongdoing is identified, Setco shall report such evidence to the appropriate law enforcement or regulatory authorities.

Ask When You Have a Question or Concern

The best way to meet the requirements of the **Code** is for every Employee to be proactive and ask any questions or raise concerns before questionable behavior or a violation of the **Code** occurs. All Employees are encouraged to ask questions and to seek clarification whenever they have a good faith concern that an action they have been asked to take may present issues under the **Code**.

You Must Report Possible Violations of the Code and Cooperate with Any Investigation

If any Employee believes that an actual or possible violation of the **Code** has occurred or is likely to occur, that person is required to report their concerns to the appropriate Company personnel, as provided herein. A failure to report a possible violation of the **Code** is itself a violation of the **Code**.

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You may report an actual or possible violation and remain anonymous, if you desire. All Employees are required to cooperate fully with and to maintain the confidentiality of any investigation of a possible violation of the **Code**.

You Will Be Protected From Retaliation for Asking Questions or Reporting Possible Violations

It is a serious violation of the **Code** for anyone (including any director, manager, employee, contractor, subcontractor or agent) acting or purporting to act for the Company to retaliate against any Employee who acted in good faith in asking questions or reporting possible violations of the **Code**. Retaliation includes, without limitation, any actual or attempted discharge, demotion, suspension, threat, harassment or discrimination of any kind or in any manner. Any person retaliating or attempting to retaliate against an Employee is subject to discipline, up to and including termination of employment. In addition, any Employee who attempts to retaliate as defined in this **Code of Conduct** could also be personally exposed to civil and criminal penalties. An intentional false accusation of a violation of the **Code** is not protected by the **Code**, and any Employee making an intentional false accusation will be subject to discipline, up to and including termination of employment.

How to Ask Questions and Report Possible Violations?

You may use any of the methods described below to ask questions or to report possible violations of the **Code**. The methods are listed in the order that is most appropriate for the routine questions and reports that may arise.

If you think that one suggested method would be inappropriate, choose the method that you believe is the most appropriate. If you want to remain anonymous, make your report without disclosing your identity. The important step is for you to ask the question or make the report.

1. Questions and issues may be raised initially with your supervisor, such as the propriety of a contemplated course of conduct, or concerns about whether actions of a coworker are consistent with Company policy.
2. Questions and issues related to specific types of situations may be referred to the managers at your business unit with responsibility for the business area. For example, employment related questions and issues (including concerns about any type of discrimination) can be raised with the Human Resources Manager for your business unit. Accounting and financial questions may be raised with the senior management in India
3. If the Employee considers it more appropriate, a question or issue may be raised with the appropriate corporate level managers or executives. For example, employment related may be raised with Head HR or accounting and financial matters may be referred to CFO. All legal questions, including compliance with applicable laws and satisfying legal requirements, should be referred to Setco's Executive Director or Chairman.

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4. If you want to remain anonymous, you may make your report without disclosing your identity. However, if you choose to remain anonymous, the Company will not be able to contact you for any additional information needed to proceed with its investigation. You may in such a case use your Employee Code.

What Happens with Your Questions?

Most questions about typical business issues should be answered shortly after they are asked. The supervisor you talked to may have to discuss your question with management before questions can be answered (for example, questions concerning possible conflicts of interest, business opportunities, etc). If you haven't received an answer within a reasonable time, please check with the person you initially talked to for the status of your inquiry. If you believe that you still have not received a response within a reasonable time, you may resubmit the question using any of the other methods set forth above.

What Happens with Your Reports of Possible Violations of the Code

Every manager or supervisor who receives a report of a possible violation of the **Code** is required to record the information submitted by the reporting Employee and to forward the record according to procedures established by Setco's Investigations Officer, who will determine how the report will be investigated and handled. The contents of the report and the identity of the Employee making the report (except for anonymous reports submitted) will be disclosed only to those Employees who have been selected by management to investigate reported violations of the **Code**. Any report of a possible violation of the **Code** by an executive officer will be promptly reported to and investigated under the direction of the Audit Committee.

Feedback on the Company's Response to Your Report of a Possible Violation of the Code

After the Company has completed its investigation, you will be given a brief summary of the results of the investigation. Because of the privacy rights of other Employees who may have been involved, you will only be told whether a violation of the **Code** was found and, if a violation was found, that appropriate discipline was imposed. If you have not received the summary of the results of the investigation within a reasonable time and you have not seen evidence that the Company is investigating your report, submit an inquiry about your report. However, if you have maintained anonymity the Company will not be able to give you feedback.

What to Do if You Believe that You Are Being Subjected to Retaliation

If you believe that you are being subjected to any actual or threatened retaliation, intimidation or harassment because you reported (or indicated that you intended to report) a possible violation of the **Code**, immediately report the retaliation as a violation of the **Code**.

CONFLICTS OF INTEREST

A conflict of interest is any activity that is inconsistent with or opposed to the legitimate best interests of the

Company. The basic conflict of interest rule is that Employees should avoid any activity, investment or interest that might reflect unfavorably upon their own integrity and reputation or the Company's. Employees should not use their Company position improperly to benefit themselves, relatives, friends or other businesses.

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Employees have a duty to perform their jobs in the best interests of the Company. Employees should avoid situations and relationships which compete with their loyalty to the Company and which might affect their judgment in performing their duties. An Employee who conducts Setco business with an organization that employs a relative, for example, should take appropriate precautions to avoid a potential conflict of interest or the appearance of preferential treatment.

DISCLOSURE IS THE KEY

Many questions relating to conflict of interest issues can be avoided by timely and adequate disclosure of facts. When the facts are known and reviewed, the Company may consent to Employee involvement in a situation that otherwise might appear to create a conflict of interest.

The intent is not to have a policy that infringes on the personal lives of Employees. However, it must be recognized that an Employee assumes certain responsibilities of loyalty and trust when accepting employment with the Company.

At the back of this **Code of Conduct** is a disclosure form. Whenever an Employee encounters a situation that may involve a conflict of interest, the Employee is encouraged to complete this disclosure form and deliver it either to his or her immediate supervisor or to Head of HR for review. This procedure will permit appropriate guidance in advance to avoid unfair charges against either the Company or the Employee based on incomplete or erroneous information. The underlying principle of this policy is that in most cases, questions of ethical conduct can be readily resolved through full disclosure and a reasonable review of all the facts by management.

Described below are several of the more common situations in which conflict of interest issues arise. It is not intended to be an all-inclusive list.

A. Outside Activities

Employment: Employees should not engage in any outside employment if the time demands of the position will impair the Employee's ability to fulfill employment obligations to Setco.

No Employee should accept a position with a Setco customer, supplier or competitor or provide services to these groups as a consultant or independent contractor. Use of information or work generated in the course of employment at Setco to provide services outside the Company will likely constitute a breach of

Setco's confidentiality policy.

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Investments: Personal investment in Setco customers, suppliers or competitors raises the same ethical concerns as part time employment with these groups. Because the opportunity for personal gain at the expense of the Company may be involved, investments of this kind should be avoided. Such an investment would be a violation of this Code of Conduct if based in any way on information that you have acquired, or expect to acquire, because of your relationship with the Company. If, however, an employee do wishes to invest, a prior intimation/clearance is required before actually doing so.

Political and Civic Activities: Setco encourages Employee participation in community affairs, including political activities and community service projects. However, an Employee's responsibilities related to any political or civic activities should not interfere with that Employee's performance of his or her job. Additionally, Employees may not use Company resources - personnel, telephones, copying machines, computers, office supplies, etc. - to advance a cause or candidacy.

Employees who consider running for or accepting appointment to political office should represent themselves as individual citizens and not promote or trade on their affiliation with Setco. Any Employee who intends to accept a political position should advise Head HR so that appropriate steps can be taken to assure that no Company action will be construed as an attempt to influence political decisions.

B. Dealing with Suppliers

Setco's policy is to select suppliers in an impartial manner on the basis of quality, suitability and price of the product or service. Employees should do nothing that could imply selection of a supplier on any basis other than the best interests of the Company. When a competitive bidding procedure is employed, the rules must be objective and enforced uniformly. No action should be taken that could give one supplier an improper advantage over others. For example, using Company relationships with suppliers for personal purchases (except under a Company-sponsored program for Employees) should be strictly avoided. The incentive of obtaining a discounted price for personal benefit is inconsistent with the policy of impartial selection of suppliers because it would appear to others that the supplier providing the personal benefit would be favored.

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C. Gifts and Gratuities

Giving or receiving gifts of more than nominal value presents the most obvious situation creating a potential conflict of interest. In accordance with Company policy, an Employee should not seek or accept services, payments, excessive entertainment or travel or any other gift above nominal value in any amount.

The intent of this policy is not to eliminate participation in legitimate business functions because they are sponsored by an entity which does business with the Company, unless participation creates the possible obligation or expectation to reciprocate with business decisions in favor of the sponsor. Likewise, the policy is not intended to preclude accepting advertising samples, souvenirs or similar items of nominal value. When gifts prohibited by Company policy are offered, they should be politely refused. If a gift cannot be politely returned or refused, it should be donated to a charitable organization after consulting with one's manager or supervisor.

We should recognize that most progressive companies follow policies similar to Setco's in this area. Therefore, to avoid placing business associates of other companies in an uncomfortable situation, gift giving also should be avoided.

You should also be aware that military personnel and administrators involved in government procurement is strictly forbidden from accepting anything. This policy includes everything from hotel accommodations to food served in Company cafeterias. This firm policy is intended to eliminate any need for interpretation in a specific situation. When dealing with government employees subject to this policy, you must be aware of and fully respect the rules under which your relationship must be conducted.

CORPORATE OPPORTUNITIES

You may not exploit for your own personal gain opportunities that are discovered through the use of Setco property, information or position unless the opportunity is disclosed fully in writing to the Company. If you are interested in pursuing an opportunity that you discovered in the course of your employment, you should disclose the opportunity in writing to your manager or supervisor. Until the Company declines to pursue the opportunity, you should not pursue it.

CONFIDENTIALITY OBLIGATIONS

A. Company Information

Information is a valuable corporate asset that Employees have a duty to protect. Generally speaking, confidential and proprietary information is information that has not been disclosed to the general public, if it gives Setco an advantage over its competitors or that could expose the Company to harm or liability if

inappropriately disclosed. Examples include corporate financial information, business strategies, drawings, designs, patent applications, trade secrets, computer and software systems and other proprietary information about Setco, its business activities or its dealers, suppliers, customers and employees. All such information

should be treated as confidential, and the duty to preserve Setco's confidential and proprietary information is not limited to the period of employment,

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but continues even after an Employee has left Setco. Except to the extent legally required, confidential information should not be disclosed to people inside or outside Setco who do not have a legitimate, work-related need to know. Confidential information should not be discussed in public places like elevators, airplanes, trains or restaurants.

B. Third Party Confidential Information

Employees should never attempt to acquire a competitor's confidential information through improper means. Stealing confidential information or otherwise inducing disclosures by past or present employees of other companies are prohibited. While Setco may, and occasionally may, employ former employees of competitors, Setco respect the obligations of those employees not to use or disclose the confidential information of their former employers.

THE WORKPLACE

Discrimination: Setco will not discriminate against individuals on the basis of race, color, religion, national origin, gender, sexual orientation, age, disability, veteran or other legally protected status. This applies to recruitment, selection, placement, promotion, termination, rates of pay, and other conditions of employment.

Harassment: Harassment based upon a person's race, color, religion, national origin, gender, sexual orientation, age, disability, veteran or other legally protected status is a violation of Setco policy. Harassment includes disparaging or derogatory comments or other improper conduct by a manager or supervisor, coworker or a non-employee business contact such as a supplier or contractor and may occur on or off Setco premises.

AREAS OF SPECIAL LEGAL CONCERN

It is Setco's policy to comply with all applicable governmental laws, rules and regulations. No Employee of Setco may violate any applicable governmental law, rule or regulation or direct another Employee to violate an applicable law, rule or regulation on behalf of the Company. Any situation that raises questions about proper legal compliance should be disclosed to Setco's Head of HR or CFO.

Laws of particular interest to Setco include:

A. Laws Relating to Monopolies and Restrictive Trade Practices

Business conduct that has the effect of restraining competition in the marketplace may violate the law. Some of the more common examples of problematic, and sometimes prohibited, conduct are listed below:

1. Price Fixing: Any agreement or understanding with a competitor regarding prices is illegal. This includes specific agreements or understandings on the price itself, and also any other conditions of sale including credit terms, discounts, or trade-in allowances.

2. Agreement Not to Compete: Allocations of customers, territories or product markets among or between competitors are illegal.

3. Boycotts: Any agreement or understanding with a competitor not to deal with a particular customer or

supplier is illegal.

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4. Tying Agreements: A tying agreement is a refusal to sell product A unless the customer also purchases product B. These agreements may be illegal where the seller's position in the marketplace is such that customers who desire product A will be forced to purchase product B, which they may not want. Thus, other suppliers of product B are foreclosed from selling to the customer.

5. Reciprocal Dealings: An understanding with another company to purchase that firm's products or services only on the condition that Company products are purchased in return may be illegal. The question of illegality may turn on whether there was coercion to make the purchase. Accordingly, any proposed reciprocal purchasing arrangements should be reviewed by senior management.

6. Price Discrimination: It is unlawful to discriminate in the price charged to customers for goods of like grade and quality where the effect may be to substantially injure or prevent competition between the seller and its competitors or between the customers themselves. A difference in price may be permissible under certain limited circumstances such as where the lower price is given to one customer in order to meet competition. A difference in price may also be justified where there are cost savings in manufacturing resulting from a volume purchase.

7. Unfair Methods of Competition

Certain competitive practices are generally not considered ethical and may possibly be illegal. Included among the list of "unfair methods of competition" are:

1. Wrongfully inducing a competitor's customer to breach a contract with that competitor.
2. Committing industrial espionage to acquire a competitor's trade secrets.
3. Bribing an employee of either a competitor or a customer for any purpose.
4. Making false or disparaging comments about a competitor's product.
5. Making unfounded or misleading advertising claims.

8. Insider Trading, Corporate Governance & SEBI Guidelines

Use of material inside information about any publicly traded company acquired through your position as an Employee for the purposes of trading in that company's stock or recommending the purchase of that company's stock to others is unlawful and a violation of this Code of Conduct. "Material" information is information which could influence an investor's decision to buy or sell the company's stock. No employee being privy to any sensitive financial information should trade in Setco stocks at least 30 days prior to declaration of financial results of the company. It is encouraged that any employee who intends to trade in Setco stock at any time should declare his or her intention prior to actual action to CFO of the company. If this intention of an employee is viewed not in interest of Setco then he or she will be suitably communicated forthwith.

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Setco Auto Systems Private Limited being a company listed on Indian Stock Exchanges is required to comply with SEBI Guidelines as stipulated, including Corporate Governance. All Employees of Setco Auto Systems Private Limited share this responsibility and are required to ensure full compliance in all respects.

9. Defects

Setco strives at all times to produce premium products, and its consistent performance as a quality manufacturer is critically important to its operations. Any known or suspected defect in a product must be reported immediately to the appropriate quality supervisor.

10. International Business

1. Foreign Exchange Management Act: Any employee involved with International Business in any respect has to clearly understand Setco's obligations under this Act and should ensure total compliance.
2. Export Compliance: The Government uses economic sanctions and trade embargoes to further various foreign policy and national security objectives. Employees must abide by all applicable economic sanctions or trade embargoes that the Government has adopted, whether they apply to foreign countries, political organizations or particular foreign individuals and entities, as well as any related reporting requirements.
3. Anti boycott Rules: Anti boycott laws prohibit Setco from agreeing to participate in the boycott by another nation of a third nation, and businesses organized under the laws of that third nation, unless the boycott is sanctioned by the Government (with a limited exception when importing into the boycotting country). It is also often illegal to provide a certification that Setco is not doing business with a country or company subject to an unsanctioned boycott. Under the Anti boycott Rules, such requests generally must be reported.
4. Money Laundering: The Company and its Employees will comply with all applicable laws prohibiting money laundering.

11. Accounting Procedures and Internal Controls

Good secretarial practice requires us to make sure that its books and records accurately and fairly represent transactions and dispositions of its assets in reasonable detail. Additionally, it is a violation of Company policy for any Employee to cause the books and records to be inaccurate in any way. Employees may not create or participate in the creation of records that intentionally are misleading or inaccurate and are expected to cooperate fully with the Company's internal and independent auditors.

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In particular, the following requirements must be strictly respected by all Employees:

1. **Accurate Books:** All Company books and records should be true and complete. Intentionally false or misleading entries are strictly prohibited, and the Company will not condone any undisclosed liabilities or unrecorded bank accounts or assets established for any purpose.
2. **Proper Payments:** No Employee may authorize payment of Company funds knowing that any part of the payment will be used for any purpose other than the purpose described in the documents supporting the payment.
3. **Use of Company Assets, Transactions on Management's Authorization:** Use of Company assets is permitted only in accordance with management's general or specific authorization and transactions must be executed only in accordance with those authorizations. Transactions involving the Company must be recorded to permit preparation of financial statements in conformity with generally accepted accounting principles and related requirements and to maintain accountability for the Company's assets.
4. **Appropriate Controls and Records Retention.** Administrative and Accounting Controls have been implemented to provide reasonable assurance that the Company is in compliance with the above requirements and that financial and other reports are accurately and reliably prepared, and fully and fairly disclose all required or otherwise material information. Employees should comply with the requirements of those controls.

12. Complete, Accurate and Timely Disclosure

Setco Auto system pvt Limited's shares are publicly traded. As a result, the Company is legally obligated to make various disclosures to the public. The Company is committed to full compliance with all requirements applicable to its public disclosures. It has implemented disclosure controls and procedures to assure that its public disclosures are timely, compliant and otherwise full, fair, accurate and understandable. All Employees responsible for the preparation of the Company's public disclosures, or who provide information as part of that process, have a responsibility to assure that such disclosures and information are complete, accurate and in compliance with the Company's disclosure controls and procedures.

Frequently Asked Questions Involving the Code of Conduct *YOU BE THE JUDGE*

- 1) I enjoy working with computer software but my job at Setco is not primarily dependent on utilization of my computer skills. With some other friends I have developed software package with small business applications. May I market it to outside companies and individuals?

Answer: *The answer depends on:*

- a. *Whether Company time, material, equipment or proprietary information was used in developing the software.*
- b. *Whether it would be marketed to anyone with whom Setco does business directly or indirectly including suppliers, dealers and users of Setco products or competitors.*
- c. *Whether it is similar to any product Setco has or plans to market. Assuming negative answers to these questions, there is probably no problem.*

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- 2) I have identified a product (or services) that may be useful and needed by Setco. I am collaborating on its marketing and distribution with a close friend. May I try to sell the product (or service) to Setco?

Answer: Company Policy provides direction regarding purchasing products (or services) from Employees or an outside business with which an Employee is affiliated. However, it is essential that such business dealings be conducted at arm's length with all applicable procurement procedures strictly followed. This is the kind of situation where prior disclosure would permit the establishment of appropriate guidelines to eliminate any appearance of impropriety.

- 3) A current Setco customer has asked me to be a consultant for them in developing a product unrelated to the product lines of Setco. I often deal with the customer off the job. Could this be a conflict of interest?

Answer: A financial arrangement with a customer could create the appearance of a conflict of interest because of the financial reward for services rendered. Since other customers, suppliers or Employees will not know the details of the arrangement, it would be difficult to defend as objective and arm's length. This situation creates the possibility that the Employee's credibility and independence could be challenged.

- 4) I have been invited to attend an open house sponsored by a supplier or vendor. New product offerings will be displayed, but there will also be some purely social functions. May I attend?

Answer: As long as the business courtesies are modest, others who are attending hold comparable positions with other companies and your supervisor has approved, your attendance would probably not create a conflict of interest. However, you should avoid accepting gifts or prizes except of nominal value.

- 5) May I go out to dinner with a representative of a supplier or vendor with whom I regularly deal?

Answer: As a general policy, modest and infrequent meals with business associates may be accepted. However, the invitation should be reviewed with your supervisor. Also, you must consider the likely reaction of other vendors or fellow Employees. Timing is often an issue in these cases. Obviously, a dinner invitation accepted immediately prior to the award of a major contract would be viewed differently than if no major purchase were pending.

- 6) I have been offered a discount on a product sold by a supplier to the Company. May I take advantage of the discount?

Answer: If the discount is offered Company-wide and approved by management, you may accept it. Otherwise, accepting personal discounts may create the appearance that some favor has been extended in the past or could be expected in the future.

- 7) I attended a seminar at the Company's expense where I won a prize worth Rs.1000. Three hundred people attended and only four prizes were available. May I keep it?

Answer: The random selection of the prize winners helps avoid any appearance that your Company business decisions may be influenced. However, you should review the case with management to determine if it should be given to charity.

- 8) It is the holiday season and I have just received at home a Rs.5000 gift pack from a supplier with a card that says "Happy Diwali." May I keep this?

Answer: No. Return the gift to the donor or seek supervisor or Employee Relations guidance on donation. A polite thank you letter and explanation of Company policy on accepting business courtesies of appreciable value would be appropriate.

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- 9) I have become aware of financial information on one of the Company's suppliers that indicates the supplier is in better financial condition than most people realize. I wish to purchase the supplier's stock. May I do so in compliance with Company policy?

Answer: *You may not purchase this stock until the financial information is known to the public. Information of this sort may have been provided to the Company on a confidential basis by the supplier. Using this information for personal purposes or disclosing it to others is possibly illegal.*

- 10) I have access to a Company truck which is not currently being used, and I want to use it to move my furniture to a new apartment. I plan to pay for the diesel I use. Is this in violation of Company policy?

Answer: *Yes, it is a violation of the Code of Conduct. Use of Company property for personal reasons is clearly a violation of the Code of Conduct. Any exception to this policy must have the approval of management.*

- 11) I am active in my local school and volunteer my time and effort to improve the quality of education for the residents of my area. An important levy is on the ballot and I am actively campaigning for its passage. May I use Company reproduction equipment to make copies of information in support of the issue so that my neighbors will be informed?

Answer: *It is Company policy to encourage its Employees to participate in the political process and to be active in the community. However, the use of Company reproduction equipment for this purpose would be a violation of Company policy unless approved by management.*

- 12) I previously worked in the engineering division of another truck manufacturer. I now work in the design department, working on clutch design. May I provide information to my supervisor about how Setco's competitor engineered its clutch?

Answer: *The answer depends on whether you have an obligation to that previous employer to keep the information confidential. If you do, you may not share that information, and no one should ask you to provide that information.*

- 13) A foreign company has agreed to purchase 7500 clutches per year for the next five years on the condition that Setco and its subsidiaries refrain from shipping any Setco products using any shipping lines incorporated in a country being boycotted by the foreign company's country of incorporation. Is it a violation of Company policy to agree to such a term?

Answer: *To agree would be a violation not only of Company policy, but of law. Under the Anti-boycott Rules such a request must be reported to an appropriate Government Department.*

- 14) I ran into an acquaintance from college at a party. As we are catching up, he mentions that he is working for the research and development division of another clutch manufacturing company and is currently engaged in cutting-edge research. He then asks me where I work. Do I have an obligation to tell him?

Answer: *While it is not a violation of law, it is a violation of Company policy to withhold the name of your employer if you are withholding that information in the hopes of accessing otherwise confidential information about a competitor. If your acquaintance chooses to provide information about his research project after being put on notice that you work for a rival clutch manufacturer, that is his decision, but you should not gain such information through deception or coercion.*

- 15) My next door neighbor received a "hot tip" from her friend that Setco stock is about to split. She asked me if the rumor is true. I know that she has incorrect information. May I tell her that her information is wrong?

Answer: *No. Providing such information to your neighbor would reveal material, nonpublic information about the Company, a violation of both law and the Code of Conduct.*

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CONFLICT OF INTEREST DISCLOSURE FORM

Employee Name:

Employee Code:

Division/Subsidiary:

Address (Please tick in the appropriate box)

- ☐ Head HR
- ☐ CFO
- ☐ Supervisor

Areas of Possible Conflict (Please tick in the appropriate box)

- ☐ Use of Company Property
- ☐ Accepting Business Courtesies
- ☐ Outside Employment
- ☐ Political Activity Investments
- ☐ Dealing with Relative, Customer, Friend, Supplier
- ☐ Other

Summary of Facts:

Explanation of Why You Believe That Conflict Exists:

Action Taken:

☐ Approved OR ☐ Disapproved

Signature: _____

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1.1) Scope/ Applicability

This policy shall be applicable to all the employees of the Setco Group. “Employee” for the purpose of this policy means any person on the rolls of the Company and shall also include apprentices, interns, trainees, contract/temporary/ part time employees, those on deputation, or working as consultants.

1.2) Exclusion: Exclusion criteria shall be specified whenever applicable

1.3) Policy Statement

The Setco Group strongly believes in equal employment opportunity and is committed to creating a healthy, safe and congenial working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity.

Because of the Company’s strong disapproval of offensive or inappropriate sexual behaviour at work, all employees must avoid any action or conduct which could be viewed as sexual harassment.

1.4) Objective

- i. To lay down a standard policy governing Sexual Harassment at Workplace
- ii. To define and explain various procedures to be followed in event of untoward incident of sexual harassment reported by any employee
- iii. To lay down guidelines for the forum for redressal of such grievances, as per the legal framework

1.5) General

A. Sexual harassment at workplace is broadly classified into two distinct types viz:

- a. **'Quid pro quo'**, means seeking sexual favors or advances in exchange for work benefits and it occurs when consent to sexually explicit behaviour or speech is made a condition for employment or refusal to comply with such 'request' is met with retaliatory action such as dismissal, demotion, difficult work conditions.
- b. **'Hostile working environment'** is more pervasive form of sexual harassment involving work conditions or behaviour that make the work environment 'hostile' for the employee to be in. Certain sexist remarks, display of pornography or sexist/obscene graffiti, physical contact/brushing against the body are some examples of hostile work environment, which are not made conditions for employment.

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B. Sexual harassment would mean and include any of the following sexually determined behavior:

- a. Unwelcome sexual advances, requests or demand for sexual favors, either explicitly or implicitly, in return for employment, promotion, any work-related benefit or favorable performance evaluation of a person towards any company activity
- b. Unwelcome sexual advances involving verbal, non-verbal, such as sexually colored remarks, jokes, letters, phone calls, e-mail, gestures, showing of pornography or any offensive publication, lurid stares, leering, stalking, sounds, use of “undesirable names” , any verbal or non-verbal communication which offends the individuals sensibilities and affects her/his performance; questions or comments of a personal nature, any unwelcome gesture having sexual overtones or deliberate physical contact or molestation or indecent physical exposure
- c. Eve-teasing, innuendos and taunts, physical confinement against one’s will and likely to intrude upon one’s privacy
- d. Any act or conduct by a person in authority which creates the environment at workplace hostile or intimidating to a person belonging to the other sex.

C. The workplace includes:

- a. All offices or other premises where the Company’s business is conducted.
- b. All company-related activities performed at any other site away from the Company’s premises including transportation (arranged or provided by the Company) to/from site(s).
- c. Any social, business or other functions where the conduct or comments may have an adverse impact on the workplace or workplace relations.

D. Internal Complaints Committee: A Committee has been constituted by the Management to consider and redress complaints of Sexual Harassment. The committee shall be governed by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules & regulations thereon, and other directives of Supreme Court. The Internal Complaints Committee will comprise of the following:

- a. **Chairperson** - Shall be a woman employed at a senior level at workplace amongst the employees
- b. **Two members** - Shall be amongst employees preferably committed to the cause of woman
- c. **One Member** - amongst Non-Governmental Organizations or associations committed to cause of women

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The Chairperson and Members of the Committee are as per Annexure-I at end of the policy.

- ✓ A quorum of minimum 3 members is required to be present for the proceedings to take place. The quorum shall have fair representation from both the genders.
- ✓ The tenure of the committee shall not be more than **3 years**. Any amendments in the constitution of the committee shall be communicated.
- ✓ The Committee shall be governed by such rules as may be framed by the Supreme Court orders or any other legislation enacted later on.

E. Redressal Process:

- a. Any employee who has a complaint of sexual harassment at work by anyone, including supervisors, co-workers or visitors, should first clearly inform the harasser that his/her behavior is offensive or unwelcome and request that the behavior should stop immediately. If the behavior continues, the employee may bring the matter to the attention of his/her supervisor. If the immediate supervisor is involved in the harassing activity, the violation may be reported to that supervisor's immediate supervisor or the HR department. The recipient of the complaint shall forward the complaint to the Committee. **Note: The recipient must maintain confidentiality of the complaint. Any divulgence of information, in any form, shall be dealt with strictly.**
- b. Also, any employee who feels and is being sexually harassed may himself/ herself submit a complaint of the alleged incident to any member of the Committee **directly** [notwithstanding Clause I (a)], in writing with his/her signature within 3 months of occurrence of incident, or from the last incident, if it's a series of incident.

F. Rights & Responsibilities of the Committee:

- a. Any complaint received by the Committee shall be **immediately** reported to the Chairman/ Managing Director/ Executive Director, in writing.
- b. The Committee will maintain documentation to acknowledge the complaint received by it and keep the contents confidential, if it is so desired, except to use the same for discreet investigation.

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- c. To the extent possible, the identity of the complainant, the victim, witnesses and the alleged harasser will be protected against unnecessary disclosure. All efforts should be made to ensure that the proceedings remain confidential.
- d. The Committee shall investigate the issue immediately and prepare a report at the end of the investigation. For the purpose of investigation, the Committee is entitled to elicit all forms of evidence, including access to written communication, witnesses and previous records.
- e. Both the complainant and the accused will be given the opportunity to present their views to the Committee and all principles of natural justice shall be followed by the Committee.

G. Enquiry:

- a. The Committee will hold a meeting with the Complainant within five days of the receipt of the complaint, but no later than 7 days in any case.
- b. The Complainant can also submit any corroborative material with a documentary proof, oral or written material, etc., to substantiate his / her complaint.
- c. If the Complainant does not wish to depose personally due to embarrassment of narration of event, a Committee member- of the same gender shall meet and record the statement.
- d. Thereafter, the person against whom complaint is made may be called for a deposition before the Committee and an opportunity will be given to him / her to give an explanation, where after, an “Enquiry” shall be conducted and concluded.
- e. In the event, the complaint does not fall under the purview of Sexual Harassment or the complaint does not mean an offence of Sexual Harassment, the same would be dropped after recording the reasons thereof.
- f. In case the complaint is found to be false, the Complainant shall, if deemed fit, be liable for appropriate disciplinary action, including termination, by the Management.
- g. The Committee shall immediately proceed with the Enquiry and communicate the same to the Complainant and person against whom complaint is made.
- h. The Committee shall prepare and hand over the Statement of Allegation to the person against whom complaint is made and give him / her opportunity to submit a written explanation if she / he so desires within 7 days of receipt of the same.
- i. The Complainant shall be provided with a copy of the written explanation submitted by the person against whom complaint is made.

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- j. If the Complainant or the person against whom complaint is made desires any witness/es to be called, they shall communicate in writing to the Committee the names of witness/es whom they propose to call.
- k. The Committee shall call upon all witnesses mentioned by both the parties.
- l. The Committee shall complete the “Enquiry” within reasonable period but **not beyond three months** from the occurrence of the incident or from the last incident; if it’s a series of incident, and communicate its findings and its recommendations for action to the Head-HR and the Directors. The report of the committee shall be treated as an enquiry report on the basis of which an erring employee can be awarded appropriate punishment straightaway. The report shall be submitted within 10 days of completion of the inquiry and be made available to concerned parties.

H. Disciplinary action: If the employee is found guilty of Sexual Harassment as defined in the policy, any of the following actions, as recommended by the Committee, can be initiated:

- a. Official written warning which will be entered in the service record of the employee/ perpetrator
- b. Transfer of the perpetrator
- c. Termination of employment of the perpetrator
- d. Criminal proceedings, if warranted

I. The Disciplinary Action to be initiated within 30 days of submission of the report

1.6) Other

- A.** The employees who are victims of sexual harassment may, in addition to the above, seek legal remedies as may be provided under the various laws for the time being in force.
- B.** The management shall provide all necessary assistance for the purpose of ensuring full, effective and speedy implementation of this policy.
- C.** Where sexual harassment occurs as a result of an act or omission by any third party or outsider, the Company shall take all steps necessary and reasonable to assist the affected person in terms of support and preventive action.

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- D.** In case the Committee finds the degree of offence coverable under the Indian Penal Code, then this fact shall be mentioned in its report and appropriate legal action shall be initiated by the Management.
- E. Protection against retaliation:** Regardless of the outcome of the complaint made in good faith, the employee lodging the complaint or any witness will be protected from any form of retaliation. While dealing with complaints of sexual harassment, the Committee shall ensure that the Complainant or the witness are not victimized or discriminated against by the accused. Any unwarranted pressures, retaliatory or any other type of unethical behavior from the accused against the complainant while the investigation is in progress should be reported by the complainant to the Committee as soon as possible. Disciplinary action will be taken by the Committee against any such complaints which are found genuine.
- F. Complaints made with a malicious intent:** If, on investigation it is revealed that the complaint was made with a malicious intent and with the motive of maligning the concerned individual or tarnishing his/her image in the company and to settle personal/professional scores, strict action will be taken against the complainant.

Note: The policy shall come into effect immediately.

	Setco Auto Systems Private Limited
	Title: Internal Complaint committee Under Section 4 of the POSH Act 2013
Annexure - I	Part of Policy on Prevention of Sexual Harassment at Workplace

Annexure - I

POSH Internal Complaint committee

Mandated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) POSH Act, 2013

Sr. No	Emp Code	Member Name	Designation	Contact
1	001157	Ms. Anjula Dwivedi	Presiding Officer	9910288770
2	001237	Mr. Ajay kumar Singh	Internal Member	7802057408
3	010127	Mr. Hiren Vala	Internal Member	7208457843
4	001351	Ms. Riya Parikh	Internal Member	6357680915
5	001326	Ms. Hetavi Vyas	Internal Member	6357341543
6	001338	Mr. Sumit Saurabh	Internal Member	7795405035
7	NA	Ms. Gauri Joshi (LLB)	External Member	9638964331

Note: For any concerns or complaints regarding workplace harassment, please contact the ICC committee members as listed above.

નોંધ: કાર્યસ્થળ પર થતી હેરાનગતિ અંગે કોઈપણ ચિંતા કે ફરિયાદ માટે, કૃપા કરીને ઉપર આપેલ સુચી મુજબ ICC સમિતિના સભ્યોનો સંપર્ક કરો.

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	Title: Attendance Policy			
Policy No.: SASPL/HR Manual/2024/00	Effective Date: 01.04.2024	Last Review Date: 2.06.2025	Next Review Date: 01.01.2027	Page No.: 1 of 6

1.1 Objective

- To lay down a standard policy governing attendance and related rules. To define and explain various procedures to be followed regarding attendance.
- To ensure consistent attendance and punctuality, fostering a productive work environment. & it strives to strike a balance between maintaining acceptable performance standards while attending to personal and/or family needs.

1.2 Scope

This policy shall be applicable to all the employees, including trainees/ interns/ apprentices of Setco Auto Systems Limited (excluding the workers), unless exceptions specified.

1.3 Policy

The Company shall observe the following Working days.

a) Working Days

SBU/Location/Unit Name	Working Days
Corporate Office	5 days
Kalol	6 days
Sitarganj	6 days
Chennai	6 Days
Noida	6 Days
Pune	6 Days

b) Working Hours & Break timings:

Breaks time: Irrespective of the location, the Company shall observe a 30 minutes' Meal Break; the timings, however, may vary. **The working hours** (inclusive of meal breaks) shall be as follows:

Corporate Office & Field employees: 09:30 to 18.30 i.e. 9 hours & Break time of 30 minutes between 13:00 to 14:30 tentatively.

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Kalol Unit: Shift Timings				
Shift Type	Start time	End time	Working Hours	Meal Break (30 minutes)
G	08:30	17:00	8.30	13:00 to 13:30
A	07:00	15:30	8.30	11:30 to 12:00
B	15:30	00:00	8.30	20:00 to 20:30
C	00:00	07:00	7.00	02:00 & 05:00 (Twice for 15 minutes)

Shift G (General) Applicable for **Management Personnel & Staff** in the following departments:

- HR & Administration, Accounts, IT
- Commercial (SCM, Sales & Marketing)
- Research & Development and
- Manufacturing Excellence, Production Planning & Control

Working hours for DGM and above shall be 9 hours inclusive of lunch break, who will have alternate Saturday off.

*Shifts A, B & C are applicable to Operators, Staff and Management Personnel for departments **other than** those specified above in case of Shift G.

**The above-mentioned shifts exclude certain employees at the Kalol unit whose work timings are as per specific need of the department/ function may come in odd shift subject S/He full fills 8.30 working hours.*

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Sitarganj Unit: Shift Timings

Shift Type	Start time	End time	Working Hours	Meal Break (30 minutes)
G	08:30	17:00	8.30	13:00 to 13:30
A	07:30	16:00	8:30	12:00 to 12:30
B	16:00	00:30	8:30	20:00 to 20:30
C	00:30	07:30	7:00	02:00 & 05:00 (Twice for 15 minutes)

c) Weekly Off

For Corporate Office: Saturday & Sunday

For Kalol Unit:

Week off Day	Applicability
Sunday	For Top management, R&D, Accounts, IT, Sitarganj-UKD Unit, Filed personnel & other who has assigned by Department head
Rotational	For Maintenance & Production as per business requirement.
Tuesday	For other employee not specified in Rotational and Sunday off.
Alternate Saturdays off	For DGM & above grades,

Note: The Weekly Offs in case of Kalol and Sitarganj-UKD Units are subject to change as per schedule of power staggering in the local areas.

All Field Staff and Field Management Personnel shall observe **6 days in a week** as Working Days and **8.30 hours** as Working Hours with 30 minutes lunch break, **irrespective of their location, designation and department.**

d) Time-keeping System

The Electronic Timekeeping system based on biometric /face reading will be the official basis for recording the “In-time” and “Out-time” for the purpose of attendance administration.

- **Exceptions:** Manual Log-in for HRIS: The Field Personnel shall be required to manually record their in-time & out-time in the HRIS Portal on a **daily basis.**

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e) Flexi Working Hours

Flexi Working Hours refers to the entitlement of the **Corporate Office employees & Sr. Managers and above employees for all the locations (excluding field personnel) or as permitted by Management based on work contingency, to work at pre-arranged times**, so as to suit their individual circumstances. This scheme shall be beneficial for employees in scheduling their travel time in order to avoid congestion while commuting in public transport, also, achieving a healthy work-life balance without compromising the organizational productivity.

- ❖ The Company would offer flexibility to report to work anytime between 8.30 am to 11:00 am and complete his/ her working hours accordingly for the day.
- ❖ If an employee reports after 11:00 am, First half shall be treated as a '**Half Day**'.

f) Grace Period for Late-coming

- **Kalol & UKD Unit*: 15 minutes** in case of Managers & Below & **10 minutes** in case of Operators.
 *Employee not commuting by company provided transport service.
- Maximum permissible limit for the grace period shall be 3 occasions in a month. In event of any late arrivals from 4th occasion, half day of leave will be deducted in following order:
 - Half day CL, In case the CL balance is zero, then Half day SL.
 - In case the SL balance is zero, then Half day PL.
 - In case the PL balance is zero, then Half day Loss of pay (leave without pay-LWP) However in case of LWP Advance leave can be deducted after mutual discussion between employee & HR Head.
- Corporate Office & employees come in flexi shift: Not Applicable.
- **Grace Period for Early-leaving:** Not Applicable

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- g) Half-day:** Employees shall complete minimum 4 hours in the shift to be considered as ‘Half-day’. Employees reporting to work for less than 4 hours shall be deemed as ‘Absent’.

***This rule shall be uniform for all the locations.**

- h) Short leaves:** The employees at the manufacturing units, shall be given provision for Early-Leaving or Late coming due to personal reasons, on prior approval by the reporting manager.

- Maximum permissible limit for short leave is - **TWICE in a month for maximum of 2 hours each and should be applied in HRMS portal.** In cases exceeding these limits, it shall be treated as half-day for every occasion.

- i) Employee Movement:** The employee must apply for any type of leave or LWP in the HRMS portal before leaving the premises on the day of availing the facility. Once the leave is approved by the Reporting Manager in the HRMS portal, the employee can leave the premises after marking attendance on the biometric machine.

- j) Work from Home:** The Company strongly discourages the practice of employees working from home. This may be considered on recommendation of HOD, HR head with approval of CEO in certain mandatory and pressing cases (related to management emergencies), but not more than 30 days. *However, calculation for every 3 days worked from home 2 days will be considered regular attendance and 1 day leave will be deducted.* This shall not be applicable to Field Personnel, who may be required to work from home most of the time to fulfil their administrative duties.

- k) Online Attendance Regularization:** Employees should regularize their attendance in event of:

- Official Outdoor Duty OR Business (Outstation) Trips
- Training programs sponsored or approved by management/ Reporting manager
- Due to any reason punch is not available but employee is present.

In case of miss punch, employees cannot regularise attendance more than 3 times in a month, if applies more than 3 times HR Head need to approve the request

The employees shall be required to do so in the HR Portal using “Request modification” or “Tour Request” feature – as the case may be. Such regularization should be done **within 5 working days** of the date for which the attendance needs to be regularized. In case of miss punch.

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I) Compensatory off: Employees having designation Managers and below up to staff category, who worked on OR on tour during weekly off or holiday more than 8 hours will be eligible for compensatory off with prior approval of Reporting Manager and can be availed within 30 days.

*In case of Employees ‘**Above Manager Category**’ on traveling for business purpose on weekly off or holidays shall be eligible for compensatory off.

‘**DGM & Above**’ who is eligible for alternate Saturday off. If worked on Saturdays can only utilise compensatory on Saturdays within permissible limit i.e. 30 days.

Note: The Management of the Company shall reserve the rights to alter, amend or keep in abeyance all or any of these rules at any point of time without being required to give any notice or reason.

In case of any dispute/ difference or any point not covered under this policy, the decision of the management shall be final.

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1. **OBJECTIVE:** To define the procedure, entitlements & guidelines for employees to avail leave.
2. **SCOPE:** This policy is applicable to all employees of the company. Except operators whose leave policy governed by separate agreement.

3. PROCESS

3.1. Leave Entitlements

- 3.1.1. The entitlements and guidelines for availing PL, CL and SL are detailed in Annexure 1 of this policy.
- 3.1.2. Based on the location of posting employees shall be eligible for leave as mentioned in Annexure 1
- 3.1.3. In case of new joiners/trainees, leaves as per eligibility will be computed on a pro-rata basis from date of joining for that corresponding year.
- 3.1.4. Female employees shall be eligible for a total of 26 weeks of Maternity. This will include 6 weeks prior to the date of delivery and 20 weeks immediately following the date of delivery.

3.2. Procedure

- 3.2.1. **Privilege Leave:** Employees shall apply for PL, at least 5 days in advance through ease HR.
- 3.2.2. **Casual Leave:** Employees shall, to the extent possible, apply in advance. Whenever employee is not able to apply in advance due to unforeseen emergency, the employee shall regularize the leave by submitting the application on the date of resuming duty.
- 3.2.3. **Sick Leave:** Employees shall submit leave application for sick leave on the day resuming duty. If the SL availed exceeds 2 days the application shall be supported by Medical Certificate duly certified by authorized Medical Officer of the Company or a registered doctor/medical practitioner.
- 3.2.4. **Maternity Leave:** Female employee shall apply for Maternity leave at least three weeks in advance as per law.

4. GUIDELINES

- 4.1. **Advance Leave:** When an employee does not have sufficient PL to his / her credit, the location HR head shall decide on the case, in consultation with the CEO / Site Head. Ordinarily Advance leave shall not exceed 5 days. Such leaves will not be applicable to trainees.
- 4.2. **Accident Leave:** In case of an accident while on duty, which incapacitates the employee from attending normal duties at the workplace, management will grant accident leave for the period recommended by authorized Medical Officer of the Company or a registered Doctor / medical practitioner.
- 4.3. **Leave Accumulation Limits:**

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4.3.1 Un-availed annual PL can be carried forward to the next year till the maximum accumulation limit is reached.

4.3.2 The maximum accumulation limit will be 63 PL.

4.3.3 PL can be availed even for a half day.

4.3.4 PL will be admissible on working day basis only.

4.4. Encashment:

4.4.1 After reaching maximum PL accumulation of 63 days, up to 5 days of un-availed PL, if any, will be cashed (calculated at PF base pay) on yearly basis.

4.4.2 Encashment amount to be credited in March salary of the next calendar year.

4.4.3 The entire PL accumulation of an individual will get cashed at the time of separation/retirement from the organization as per current practice.

4.4.4 The encashment calculation will be made @ PF base pay. Leave encashment for SL is not allowed but unavailable leave can be carried forward up to 15 days.

4.5. Maternity Leave: This applies to expectant or new mothers who require time off for pregnancy, childbirth and childcare. Below are the key points:

4.5.1. Up to 26 weeks of maternity leave applicable up to two children.

4.5.2. Further PL can be availed after exhausting the applicable Maternity Leave subject to prior approval of the HR Head & HOD. Grant of such additional leave is discretionary and not automatic.

4.5.3. Up to 12 weeks of maternity leave in following circumstances:

- For third child onwards
- For adoption of a child below the age of three years. It is calculated from the date the child is handed over to the adopting mother. Applicable only for two children.
- On becoming a Commissioning mother (a woman who uses her egg to create an embryo implanted in any other woman). It will be calculated from the date the child is handed over to the commissioning mother.

All women employees shall be intimated of the benefits of the Company's Maternity Benefit Policy at the time of their initial appointment.

Any provision which is not specifically covered in this or any of the other HR policies will be in line with the provisions of the Maternity Benefit Act, 1961.

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4.6. Paternity Leave:

- 4.6.1. Employees work more than one year will be eligible for the PTL.
- 4.6.2. Male employees can avail 7 days of Paternity Leave in a period of 3 months preceding or succeeding the birth of child and must be taken in single block.
- 4.6.3. Applicable for up to 2 children.
- 4.6.4. The Paternity Leave will be on working day basis implying that when availed, intervening offs / holidays will not be counted.

4.7. General Guidelines

- 4.7.1. Leave year is 1st January to 31st December every year.
- 4.7.2. All leave or encashment of leave salary shall be subject to satisfactory service and conduct of the employee. The discretion of sanctioning any leave rests with the Management
- 4.7.3. For the purposes of calculating continuous service the following shall be included:
 - Duly authorized - PL, CL and Leave without Pay.
 - Sick leave up to entitlement and accumulated SL if any.
 - Absence due to accident occurred while on duty.
 - Probationary period, if any.
- 4.7.4. In event of unauthorized absence for more than 8 days (without prior approval, absence without information or beyond the period subsequently sanctioned) the Management may initiate appropriate disciplinary actions that is deemed fit.
- 4.7.5. If the provisions of the Employees' State Insurance Act, 1948 and / or any other Act providing for sick leave or sickness benefits become applicable to an employee, s/he will be governed by such Act or Rules, and not by those prescribed in this policy.
- 4.7.6. All staff and above employees get 'Birthday leave' on his/her birth date to improve work-life balance and to improve employee morale.

5. ROLES & RESPONSIBILITIES

Employees	Apply for leave through Ease HR web application
Reporting / Reviewing managers	Approve Leave Approve deviations – Leave without Pay / Special Leaves
HR Manager/ Time Office	Maintain updated Leave records of employees. Intimate Accounts about encashment at the year-end.
Accounts Manager	Incorporate Leave Encashment amount in salary as eligible annually
HR Head	Overall process & policy ownership

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6. **EXCEPTIONS:** Any exceptions to this policy will require the approval of the HR Head – or nominated official.

7. DEFINITIONS / ABBREVIATIONS:

PL - Privilege Leave | SL - Sick Leave | CL - Casual Leave | PTL- Paternity Leave | ML – Maternity Leave | SPL – Special Privilege Leave (As per Recruitment Policy)

8. Composite nature of Leave Rules as above:

- 8.1. The Leave Rules of the company as above are composite ones and cannot be split or looked at in parts for any other purpose.
- 8.2. Any weekly off or public holiday falling between the leave period will not be counted as leave. In other words, the ‘sandwich rule’ does not apply to any type of leave.
- 8.3. Inter-group transfers will be governed as per the applicable Group Guidelines
- 8.4. The Leave Policy will always follow Indian employment laws. If any statutory provision differs from this policy, the statutory provision will apply. Any future change in law will automatically supersede this policy, and the policy will be updated accordingly.

Setco Auto Systems Private Limited

Title: Leave Policy

Annexure - 1 : Leave Entitlement Table

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Annexure - 1 : Leave Entitlement Table

Type of Leave	Privilege Leave	Casual Leave	Sick Leave
Entitlement	• 21 days for Mumbai office • 18 days at Kalol, UKD and field • 15 days to DGM and above who are operating from Kalol office or from field	• 7 Days • Pro-rata for new joiner	• 5 Days for Kalol, UKD and field • Pro-rata for new joiner • Not applicable for Mumbai office
Date of Credit	1st January every year for the previous year	1st January every year for the current year	1st January every year for the current year
Eligible From	1st January (pro-rata for new joiner)	On joining (pro-rata for new joiner)	On joining (pro-rata for new joiner)
Application Process	Apply at least 5 days in advance	Prior intimation desirable. In emergency, inform before start of work & regularize on resuming duty.	Prior intimation if possible. Formal approval on resuming duty.
Prefix & Suffix	Not applicable	Not applicable	Not applicable
Intervening Weekly Off / Public Holiday	Not considered as leave	Not considered as leave	Not considered as leave
No. of times availed/year	No restriction	No restriction	No restriction
No. of days permissible	No restriction subject to sanction by reporting manager	Max 3 days at a time	No restriction. Supported by Medical Certificate for leave > 2 days
Accumulation	As per Leave Accumulation Limits defined in clause 4.3	Not Permissible	As per Leave Accumulation Limits defined in clause 4.3
Half-day Leave	Permitted	Permitted	Permitted

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1. Purpose

This policy outlines the leave eligibility, entitlement, accumulation, and attendance bonus conditions for Operators as per settlement.

2. Applicability

Applicable to all the Operators employed by the SASPL.

3. Types of Leave & Eligibility

3.1. Casual Leave (CL)

Operators are eligible for **7 days** of CL per calendar year. It is for short-term personal needs. Unused CL will lapse at year-end and cannot be carried forward or encashed.

3.2. Sick Leave (SL)

Operators are eligible for 3 days of Sick Leave per calendar year. Medical proof may be required. Up to 6 unused SL will be carried forward at year-end and if it beyond 9 will be lapsed in the beginning of the calendar year & cannot be encashed.

3.3. Privilege Leave (PL) / Earned Leave (EL)

PL is earned based on days worked and is credited for use in the subsequent year.

3.3.1. Up to 240 working days: 1 PL for every 20 days worked (maximum 12 PL).

3.3.2. Beyond 240 days: 1 PL for every additional 12 days of attendance.

4. Leave Accumulation

Maximum accumulation of PL including opening balance at the start of the calendar year shall be 75 days.

Attendance Bonus Eligibility

An Operator shall remain eligible for Attendance Bonus if:

4.1. Up to 8 days of Privilege Leave (PL) are taken continuously; OR

4.2. Up to 2 days of Casual Leave (CL) are taken continuously.

Leave below these limits may affect Attendance Bonus eligibility as per company rules.

5. General Conditions

- All leaves are subject to prior approval. In case of SL approval must be taken on resuming duty.
- Attendance records maintained by the company shall be final & attendance bonus given as per records and as per settlement i.e. continues 8 PL OR 2 CL approved in advance in a month attendance bonus will be given.
- Management reserves the right to amend this policy.

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1. Objective

The objective of this policy is to:

- Establish a standardized framework governing business travel, entitlements, and reimbursement of expenses incurred during official travel.
- Define the procedures and conditions required to qualify for reimbursement of travel-related expenses.

2. Scope & Applicability

This policy is applicable to:

- All employees of Setco Auto Systems Limited.
- Individuals associated with the Company in the capacity of Consultant or Advisor.
- Representatives or visitors from Vendors or Customers, wherever specifically approved.

The policy covers:

- Domestic and International business travel.
- Travel-related entitlements for Field Personnel.

3. Exclusions

Specific exclusions, if any, shall be defined and communicated separately whenever applicable.

4. Policy Statement

In the course of maintaining existing business relationships and developing new business opportunities, employees may be required to travel outside their normal work location. This policy outlines the parameters, entitlements, and procedures applicable to travel undertaken in the execution of official duties.

This policy is intended to facilitate smooth and effective execution of assigned responsibilities and shall not be construed as a matter of right.

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5. General Guidelines & Definitions

5.1 Definitions

a. Travel Helpdesk

A centralized, value-added service operating from the Corporate Office and manufacturing units, serving as the single point of contact for all travel-related services, arrangements, and queries. The Travel Helpdesk is responsible for managing domestic and international travel end-to-end.

b. Daily Allowance (DA)

A fixed allowance provided to cover incidental expenses such as laundry, drinking water, porter charges, tips, and similar sundry expenses. No bills are required.

Eligibility (calendar-day basis):

- More than 12 hours: 100% allowance
- 6 to 12 hours: 50% allowance
- Less than 6 hours: Nil

c. Non-Reimbursable Expenses

The Company shall not reimburse expenses incurred towards:

- Alcoholic beverages
- Cigarettes, beedis, or similar products
- Entertainment (unless expressly approved by the Business/Functional Head)
- Toiletries and beauty products

These are non-reimbursable under all circumstances.

5.2 General Provisions

- Entitlements under this policy represent maximum permissible limits. Employees are expected to exercise prudent business judgment.

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- Employees shall travel only by approved modes and within defined entitlements.
- For Vendors/Customers/Business Associates, the concerned Functional or Business Head shall be responsible for approvals, requisitions, and accounting of expenses under the respective department.

6. Primary Mode of Travel

- For domestic travel, train travel is encouraged over rental cars wherever feasible, considering safety and efficiency.
- For air travel, Low-Cost / No-Frills Airlines shall be preferred.

Approved Low-Cost Airlines include (indicative):

- ✓ IndiGo
- ✓ SpiceJet

(Other airlines may be added by the Administration Department as required.)

- Exceptions involving higher entitlements shall be permitted only under exceptional circumstances with prior approval from the Functional/Business Head.
- Travel itineraries should be planned to avoid idle days such as weekends and public holidays, wherever possible.
- If accommodation is arranged at a friend's/relative's place or the employee's own residence, meal, daily allowance, and local conveyance entitlements shall remain applicable.
- Where multiple employees travel together, efforts shall be made to consolidate travel and accommodation arrangements.
- When expenses are incurred jointly, only the senior-most employee shall claim reimbursement.
- No reimbursements shall be admissible for leave availed during an official tour.

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7. Procedures

I. Travel & Accommodation Arrangements

- Employees shall submit a duly approved **Travel Requisition Form** to the Travel Helpdesk well in advance (Annexure I).
- Travel arrangements shall be made through authorized travel agencies, online portals, or car rental services as per entitlement.
- Any cancellation or change in itinerary must be communicated at least two working days in advance.
- Employees are discouraged from making self-arranged bookings unless required by business exigency; such expenses shall be reimbursed post-travel with supporting documents.
- Company Guest Houses shall be the first preference wherever available.
- Hotel accommodation shall be permitted only upon confirmation of non-availability of Guest House facilities.
- Stay at Guest House/Hotel is normally limited to 15 days. Extensions beyond this period require approval from Head-Corporate HR / Executive Director / COO.
- Grade-wise accommodation limits must be strictly adhered to.

Boarding (Meals):

- Meal allowances may be claimed as per Annexure III where meals are not provided.
- No meal allowance shall be claimed where meals are provided or paid for by the Company.

Local Conveyance:

Entitlements are detailed in Annexure IV.

Communication Expenses:

Official communication expenses (internet, STD/ISD, postage, etc.) shall be reimbursed at actuals with supporting documents.

II. Travel Advance

- Travel advances may be drawn up to two working days prior to travel, with prior approval.
- Advances must be settled as per reimbursement procedures.
- Unsettled advances may be recovered from salary.
- In case of tour cancellation, advances must be returned within two working days.
- Field Personnel may maintain a cash imprest of ₹10,000, subject to approval.

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III. Reimbursement of Expenses

- All original bills, vouchers, tickets, and boarding passes must be submitted.
- Claims must be submitted within **7 days** of completion of travel using the Travel Expense Statement (Annexure II).
- Delayed submissions require justification and approval.
- Accounts Department shall scrutinize claims and highlight any excess beyond entitlement.
- Approval of expenses beyond entitlement lies solely with the Business/Functional Head.

IV. Use of Own Vehicles (Inter-Town Travel)

- Use of personal vehicles is discouraged due to safety concerns.
- Only four-wheelers may be used under exigent circumstances.
- Reimbursement rate: **₹7 per km** (inclusive of fuel and parking); tolls reimbursed at actuals.
- Use of two-wheelers is strictly prohibited.
- Travel between Mumbai–Thane/Navi Mumbai and Kalol–Vadodara is considered local travel.

V. Field Personnel

- Eligible for daily allowance and local conveyance as per Annexure V.
- For travel exceeding 24 hours, standard travel entitlements shall apply.
- Daily allowance includes lunch.
- Local conveyance includes fuel, toll, and parking.
- Claims must be settled weekly using the Expense Statement.

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8. Entitlements

Grade-wise entitlements for:

- Lodging, meals, daily allowance, and mode of travel (Annexure III)
- Local conveyance (Annexure IV)
- Field Personnel (Annexure V)
- City classification (Annexure VI)
- International travel guidelines (Annexure VII)

9. Management Rights

The Management of Setco Auto Systems Limited reserves the right to amend, modify, suspend, or withdraw this policy, in whole or in part, at any time without prior notice.

In case of any dispute or matter not covered under this policy, the decision of the Management shall be final and binding.

List of Annexures

Annexure I- Travel Requisition Form

Annexure II-Travel Expense Statement

Annexure III- Entitlements per day for Business Travel

Annexure IV- Mode of Transport

Annexure V- Intra-Town Travel Entitlements for Field Personnel

Annexure VI- Classification of Locations

Annexure VII- Travel Guidelines for International Travel

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1. Policy Statement

Employee Training is an ongoing, dynamic effort by the organization aimed at helping employees to acquire the basic skills required for the efficient execution of the functions for which they are hired. Development deals with initiatives undertaken to expose employees to perform additional duties or future roles & responsibilities. A well-planned and structured Training & Development program can help the organization achieve its bottom-line results. The management of the Company strives to

- Create an effective balance between formal (classroom) and informal (workplace) training to make sure that learning is available whenever and wherever it is required.
- Promote a culture of learning and individual development with equal access and opportunity to all such programs. Actively support and encourage career planning.
- Ensure that all personnel are trained to the extent necessary to competently undertake assigned responsibilities.

2. Objective

To lay down a standard policy governing training and development and related activities.

To define and explain various procedures followed in order to design, develop, implement, and evaluate employee training and development.

3. Scope/ Applicability

This policy shall be applicable to all the confirmed employees of Setco Automotive Limited, unless exceptions specified.

4. Exclusion

The policy shall not cover probationers. However, trainees with a training period of 1 year (Ex: Management Trainees, Executive Trainees, Graduate/ Diploma Engineer Trainees etc.) shall be eligible upon successful completion of the training.

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5. General

5.1. Types of Training

5.1.1. Technical/ Functional Training: Technical/ Functional Training will include such programs/ initiatives aimed at acquisition and refinement of skills & knowledge as required for successfully performing the job.

5.1.2. Behavioral Training: Soft skills are the desirable personal attributes/ personality traits that enhance an individual's interactions, job performance and career prospects. Behavioral Training shall focus on imparting the requisite Soft Skills to the employees.

5.2. Budgeting: The budget for Training & Development programs shall be allocated taking into consideration the current & emerging organizational needs.

5.3. Categories of Training: From administrative perspective, two categories of training have been identified, viz: Internal Training & External Training.

5.3.1. Internal Training

a. Induction/ Orientation:

- All new recruits shall undergo an Induction Program, structured by the Corporate HR Team in consultation with the concerned Senior Management, as per individual recruit's profile.
- The objective is to familiarize the new recruit with the organization's various policies, guidelines and procedures.
- The new recruits in Management category; especially in case of Marketing, Operations functions shall be required to visit both the manufacturing units.
- The visit to manufacturing units shall be arranged on need basis for the new staff recruited in Non-technical function.

b. On-the-job Training: On-the-job Training shall include all the methods deployed to increase employee's knowledge and skills for improving his/her current job. For example: Handling of machines, process of production, safety measures to be taken etc. It shall be an ongoing/ day-to-day activity and the reporting manager/ immediate supervisor shall be responsible for the same.

c. In-house Training: In-house Training shall include all the training programs or activities conducted in-house i.e. within the premises of the organization (Corporate Office/ Kalol Unit/ Sitarganj Unit) by inviting faculties from various institutes/ agencies. Subject matter experts from within the organization shall be encouraged to conduct/ facilitate in-house trainings. In-house training programs will be preferred especially when there is sizeable number of participants.

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5.3.2.External Training: External Training will include seminars, conferences, workshops, distance learning programs and the like, organized and conducted by various training agencies, management institutes, technical institutes and trade/ industry organizations of repute. Such programs will help to enhance the knowledge and capabilities of the employees, by broadening their experience with exposure to external environment. Employees shall be formally nominated for such programs by their reporting managers.

5.4. Training Needs Identification: Training Needs Identification for an individual employee will be an ongoing process using various tools- as mentioned below:

- a. Performance Management System:** The Performance Appraisal form shall have provisions to effectively capture the training needs at individual level. The same may be extrapolated to departmental needs after due analysis by the concerned HR Personnel. The areas of potential improvement thus established shall be incorporated while designing the Training Calendar for the next financial year.
- b. Organizational Needs:** Organizational needs will encompass training needs arising as a result of anticipated future needs, technological changes (eg. modernization of equipments), quality improvement initiatives, safety issues, changes in law & regulations, reassignment of task etc. Such trainings will be aligned with the strategic goals.
- c. Individual Needs:** Individual training needs shall focus on improvement of individual employee's performance and shall be derived from the appraisal forms, as recommended by either or both the appraiser and the reviewer i.e. reporting manager & skip-level reporting manager respectively. These may also be noted by the reporting manager depending on his/ her day-to-day observation of the individual's performance and gaps therein.
- d. Other/ Impromptu Requirements:** This head shall include all the training requirements initiated as result of ongoing performance problems or any unexpected issues - at the organizational level, with the purpose of remedial action for the same.

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- e. Self-nomination:** The management appreciates an employee's expression of his/ her desire to undergo a particular training- that may not be acknowledged under any of the above tools. In such a situation, the employee may self-nominate himself/ herself for such program. However, it is required that the training program is based on job requirements (current or future), and not personal likings.

Reporting manager's approval shall be sought by the HR Department in case of self-nomination as well.

5.5. Training Calendar: The concerned HR Personnel shall carry out a gap analysis based on the training requirements gathered from various tools and the activities already undertaken in the previous financial year. Following this, a comprehensive list of training programs shall be drawn, in consultation with the senior management, for consideration in the next financial year. The concerned HR Personnel will liaise with reputable institutes/ agencies for detailed outlining and commercial aspects of the same. Accordingly, a Training Calendar (for next financial year) shall be designed for the entire organization taking into consideration various parameters like number of participants, level, prioritization of the programs etc., at the beginning of the financial year. This calendar shall primarily incorporate the In-house Trainings.

5.6. Process

- a. Internal Trainings:** In case of the In-house Trainings, the training calendar shall be circulated to the respective location on a monthly basis, by the HR Department- Corporate Office. It shall be the responsibility of the HR Department of the respective location to ensure smooth execution of the pre-scheduled training activities.
- b. External Trainings:** In case of external trainings, the concerned HR Personnel shall maintain a database for relevant trainings offered by recognized agencies and from time to time shall coordinate with the functional/ business heads for nominations from their respective departments. In event of nomination(s), the reporting manager shall be required to fill in the **External Training Nomination Form** (See Annexure I) and submit it to the HR personnel. The formalities regarding registration for the program shall be done by the HR personnel. Such programs may also be communicated by the institutes, as and when they arise during the course of the year.

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- c. Knowledge Sharing:** In order to foster a climate of learning, the management encourages active dissemination of knowledge/ skills acquired by the participants amongst other employees. To serve the purpose, it shall be mandatory for the participants to make a formal presentation to the employees to whom the topic is relevant, within a reasonable period of time (Maximum - 2 weeks from the date of training).
- d. Report on Training:** The HR Personnel shall maintain an up-to-date record of all the trainings that have been conducted and that are scheduled in the near future. A monthly/ quarterly report shall be presented to the concerned person from the Senior Management. The report shall cover relevant details viz: Name & Designation of the participant, details of the program, details of the agency/ institute, man-days of training, expenses incurred, general feedback etc.
- e. Evaluation of effectiveness:** The process of Training & Development is incomplete without evaluation of its effectiveness, which aids in decision-making and planning of future trainings. A structured feedback shall be ensured by the HR personnel for this purpose.
- f. Feedback on Training:** All employees attending any training program (internal or external) are expected to provide a formally documented feedback to the respective HR departments, within **7 days of completion** of the training program. (See Annexure II)
- g. Parameters:** Various parameters taken into consideration while measuring the effectiveness of any training program are as follows:
- i. Content of the course
 - ii. Faculty involved
 - iii. Actual administration of the program
 - iv. Key Learning

5.7. Expenses/Others

Costing: All the costs - direct or indirect, involved shall be documented against the particular training programs. These costs shall include registration fees, travel & conveyance costs, accommodation, sundry expenses etc.

Reimbursement: In case of External Trainings, participant shall be entitled to claim reimbursement for all the expenses borne by him/ her only and not the expenses paid by the Company, as detailed in the prevailing Travel Policy.

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- 5.7.1. For ease of administration, the expense statement has been incorporated in the Training Feedback Form. (See Annexure II) Such claims should be made within 7 days of completion of the training program, along with the Travel Expense Statement (See Annexure II –Travel Policy) and Training Feedback Form. These documents should be submitted to the Corporate HR first and subsequently to the Accounts Department and the reporting manager.
- 5.7.2. Consent of the reporting manager shall be mandatory for relieving the nominee on the day(s) of training.
- 5.7.3. Entire onus of coordinating with various agencies, carrying out the process of nomination, formally notifying the nominee & his/ her reporting manager shall lie with the concerned HR Personnel at the Corporate Office.
- 5.7.4. The concerned HR personnel will be responsible for instituting requisite control mechanism for efficient execution, ensuring control on the sanctioned budget.
- 5.7.5. It shall be the participant's responsibility to submit a formal feedback of the training program attended, to the HR Department.
- 5.7.6. It shall be mandatory for the employees to attend the training program (internal or external) once nominated. No requests for cancellation shall be considered unless a **written approval** is sought from the Business/ Functional Head.
- 5.7.7. Both the employee and his/ her reporting manager shall be equally responsible for ensuring attendance for the training program, once nominated.
- 5.7.8. In the event of more than 2 incidences of unapproved absence/ default on attendance in the same financial year, any form of in-house training &/ or external training, shall be withheld for the particular employee for the next 12 months.
- 5.7.9. In case of external training programs, not more than 2 employees shall be nominated from a single department at one time for the same training program.
- 5.7.10. In the event of resignation by an employee, dated within 3 months of completion of an exceptional training, the Company shall recover all the costs incurred for such program, through the Full & Final Settlement amount.
- 5.7.11. For the purpose of this policy, exceptional trainings shall be defined as:
- 5.7.11.1. Those involving an investment or total cost of Rs. 50,000 per employee.
 - 5.7.11.2. Specific training offered on certain software or mechanical equipment.
- 5.7.12. At the discretion of the CMD/Vice Chairman, the Company may sponsor select employees for Management Development Programs or any Post- Graduation Diploma/ Degree/ Certification Courses. The sponsorship amount shall be extended as a loan to the employee by the Company, which shall be waived off if the employee stays employed with the Company for 3 years post completion of the course. In the event of separation before the fore-mentioned duration, the loan shall be adjusted against the Full & Final Settlement amount.

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5.7.13. At the discretion of the CMD/Vice Chairman, the Company may sponsor select employees for overseas training/ workshop/ seminar/ conference organized by collaborators/ vendors/ technology providers/ overseas training organizations/ institutes/ universities. In such cases, the employee shall sign an Undertaking (See Annexure III) to serve the company for a specified period depending upon the duration of such overseas visit. The duration of such Service Undertaking shall be computed at the 6 months per week of the overseas visit. In the event of resignation by the concerned employee, before completion of the service undertaking, the Company shall recover all the costs incurred for such overseas visit on a pro-rated basis.

Note:

The Management of Setco Auto Systems Private Limited shall reserve the rights to alter, amend or keep in abeyance all or any of these rules at any point of time without being required to give any notice or reason. In case of any dispute/ difference or any point not covered under this policy, the decision of the management shall be final.

Annexure

Annexure I External Training Nomination Form

Annexure II - Training Feedback Form

Annexure III – Service Undertaking for Attending Overseas Training

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1.1) Scope/ Applicability

This policy shall be applicable to all the permanent employees, including probationers, trainees, and retiring employees of Setco Auto Systems Private Limited, unless exceptions specified.

1.2) Exclusion

Exclusion criteria shall be specified whenever applicable.

1.3) Policy Statement

Separation of an employee may result because of resignation, retirement etc. The management of Setco Auto Systems Private Limited intends to provide an unbiased and equitable treatment to employees at all levels, at the time of separation on any account.

1.4) Objective

- I. To lay down a standard policy governing the process of separation.
- II. To define and explain various procedures to be followed for exit formalities.

1.5) General

- I. Any employee desirous of resigning from the services shall be required to serve the notice period as mentioned in his/ her Letter of Appointment. No compromise shall be entertained in this aspect
- II. Upon tendering resignation, the employee shall be entitled to paid leaves only at the discretion of the Management.
- III. Normally, resigning employee should be relieved at the **end** of the notice period, to enable the Company to identify a successor and ensure smooth knowledge transfer.
- IV. In cases otherwise, the relieving date shall be mutually discussed and settled between the Functional/ Business Head and the resigning employee.
- V. If the resigning employee wants to be relieved earlier, compensation in lieu of basic salary shall be payable by him/ her for the shortfall of the notice period.
- VI. Exceptional cases such as employees who leave the Company without due intimation or without complying with the rules of the Company before separating, shall be dealt strictly.
- VII. All employees shall retire on attaining the age of superannuation **i.e 58 years**. The age shall be computed as per the personal records with the Company.

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1.6) Procedure

- I. Any employee desirous of resigning from the services shall submit resignation to the immediate superior/ reporting manager through the HRIS Portal preferably.
- II. The immediate superior and Functional/ Department Head should jointly discuss with the resigning employee regarding the reason for resignation and take the necessary action regarding approving the same on the portal or in mail/resignation letter as the case may be.
- III. The accepted resignation shall be forwarded to the HR Department for further processing, with the immediate superior and Functional/ Department Head his/ her clear remarks on the status of resignation and further action- such as **‘To be accepted & relieved as per rules of the company’**, **date of relieving**, any comments etc. Also concerned superior or head shall clearly record their views on retaining prospects of the resigning employee while forwarding the resignation letter.
- IV. Upon accepting the resignation, the resigning employee shall be given ‘Acceptance of Resignation of letter’ from HR Department as per requirement.
- V. The HR Department shall provide appropriate forms to the separating employee regarding clearance, transfer/ withdrawal of PF etc.
- VI. Every resigning employee shall be invited for an Exit Interview by the Head HR or the appointed competent authority for ascertaining the reasons for resignation. The interview shall be formally documented in an Exit interview Form. **(See Annexure I)**
- VII. The HR Department shall provide necessary support to complete the clearance process by handing over the Full & Final Clearance Form **(See Annexure II)** to the Department Heads with a request to hand it over to the resigning/ retiring employee. The purpose of this clearance is to ensure that all the concerned departments are officially informed about the separation and given the opportunity to retrieve company property and / or inform the resigning/ retiring employee regarding his/ her outstanding issues.
- VIII. In case of any outstanding dues/obligations, necessary steps must be taken by the concerned authority which may result in delay in F&F, against settlement of direct/indirect financial liability of concerned employee.
- IX. The resigning/ retiring employee shall return to his/ her department with all the clearances following which the Functional/ Business Head should certify that the employee has cleared all the outstanding obligations and has handed over his/her responsibilities to the right personnel.
- X. The duly signed Full & Final Clearance Form shall be forwarded to the HR Department for initiating the full and final settlement.

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XI. The separating employee shall ensure that he/ she submit the Clearance Form on day before last working day so as to enable the HR Department to verify outstanding & other obligations and make payments towards full and final settlement within ***2 days** of his/her last working day in case all formalities are done & no dues.

**In other cases of within 60 days of his/her last working day.*

XII. In case of employee due for retirement, the HR Department shall inform the concerned Functional/ Business Head, three months in advance. A Letter of Intimation of Retirement shall be issued to the employee at the same time **(See Annexure IV)**

XIII. The rest of process towards full & final clearance and settlement shall be same as that for resignation.

Note:

- The Management of Setco Auto Systems Private Limited shall reserve the rights to alter, amend or keep in abeyance all or any of these rules at any point of time without being required to give any notice or reason.
- In case of any dispute/ difference or any point not covered under this policy, the decision of the management shall be final.

The policy shall be effective from 21st November 2025 and shall supersede earlier policy/ procedure.

*Subject to adherence of all the conditions under the policy and excluding absconding from the services.

Annexures

Annexure I - Exit Interview Annexure II - Full & Final Clearance

Annexure III - Relieving Letter and Service Certificate Annexure IV - Intimation of Retirement

Annexure V - Acceptance of Resignation of letter

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1. Policy on Recruitment

1. Policy Statement

The Management of Setco Auto Systems Private Limited is committed to ensuring that the recruitment and selection of all employees is fair, open, transparent and contemporary as per the industry best practices. The purpose of this policy is to provide a basis for hiring the right people and placing them in positions with responsibilities that allow them to maximize their competencies in the pursuit of Organizational Goals.

2. Objective

- To lay down a standard policy governing recruitment and related rules
- To define and explain various procedures to be followed in relation to recruitment

3. Scope/ Applicability

This policy shall cover detailed processes involved in the Recruitment of Management Personnel and Staff of Setco Auto Systems Private Limited. In addition to Recruitment; On-boarding, Employee Referral and Open Job Posting shall fall under the purview of this policy.

Exclusion

The process of recruitment for Setco Auto Systems Pvt Ltd shall be partially decentralized i.e. the recruitment of the Staff shall be entirely managed by the HR Department at the respective locations (Kalol Unit/ Sitarganj Unit/ Corporate Office); whereas the same in case of Management Personnel shall be handled by the Corporate HR Team only. Any other exclusion criteria shall be specified whenever applicable.

A. Manpower Budgeting: The process of Manpower Budgeting shall begin in the last quarter of a financial year- i.e. January-March, wherein all the Department Heads will finalize the manpower requirements in the next financial year, for their respective departments. The requisitions shall be formally budgeted for by the Human Resources (HR) Team- Corporate Office and approval of CMD be sought.

Once approved, the vacancies thus created shall be treated as ***budgeted*** ones and the Department Heads will be required to submit a Manpower Requisition Form to the HR Department for necessary action on recruitment. (See Annexure I)

Requisition for all the positions shall be duly supported by Job Description for a ***new position*** created based on organizational needs. (See Annexure II)

Any requisition raised after budget has been finalized, shall be treated as Non-budgeted ones. No recruitment for a non-budgeted position shall take place without a written approval from CMD.

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B. Manpower Sourcing: The concerned HR Department will source the required vacancy from any of the following:

- i. Approved panel of Head Hunters/ Placement Consultancies
- ii. Print advertisements (in leading newspapers)
- iii. Applicant Pool/ Data bank maintained internally by the respective HR Departments
- iv. Employee Referrals
- v. Educational Institutions

C. Preliminary Screening:

- i. Based on the Job Description provided by the concerned Department Heads, search shall be initiated by the HR Department. A preliminary screening of the profiles thus received shall be done by the HR and forwarded to the panel for consideration. It is recommended that the panel provide the shortlist within a reasonable period of time – but not exceeding 10 days after receipt of the profiles.
- ii. Further, the panel shall offer **at least 2 tentative dates** for scheduling personal interviews. *(If required, the HR may conduct a telephonic interview of the shortlisted candidates before arranging for a Personal Interview with the panel. This would be especially preferred for out-station candidates)*
- iii. For preliminary interviews of outstation candidates, Skype/VC/ Telephonic round may be conducted by the concerned Functional/ Business Head.

D. Interview Process: The HR Department shall schedule Interviews based on mutual convenience of the panel and the candidate. Typically the process shall be: First, a preliminary interview (Telephonic or Skype), Second, first round of personal interview and Third, a final round of personal interview along with Salary negotiation. A typical questionnaire is attached herewith for the benefit of interview panel. *(See Annexure III)*

E. Campus Recruitment: The Written Test and/ or Group Discussion shall be screening tool for campus recruitments, followed by a personal interview presided over by Functional/ Business Head and HR. The eligibility criteria shall be as follows:

- i. Minimum 60% in SSC, HSC, Graduation and Post-graduation- as applicable for the job position into consideration. Minimum CGPA 6.45 / 10 as equivalent
- ii. Criteria for age- as on date of recruitment:
 - Diploma Engineer Trainees: 18 years
 - Graduate Engineer Trainees: 21 years
 - Management Trainees: Between 22 - 29 years
- iii. Successful completion of SSC, HSC, Diploma, Graduation and Post-graduation in **first attempt**

The compensation payable to the trainee and other details shall be as per Policy on Compensation for Trainees (DET/GET/MT).

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F. Interview Panel:

- The persons involved in the Interview Panel shall be chosen on the basis of level of the position (vacancy). *(The designations mentioned in the table are illustrative)*
- Interview Panel cannot consist of any person who is currently at the same or a level below that of the position (vacancy).
- The panel should consist of at least 2 managers as per the table below- for 1st and 2nd round of interview. Any interview conducted by only 1 manager shall not be processed further.

	Level							
	Trainees		Staff		Assistant Manager to Senior Manager		Senior Management	
	Technical	Non-technical	Technical	Non-technical	Technical	Non-technical	Technical	Non-technical
Preliminary Interview- Telephonic/ Skype/ VC	Functional Head. GD/ Written Test in case of Campus Recruitment (Coordinated by HR)		Operations Head/ HR	HOD/ HR	Operations Head / HR	HOD/ HR	Operations Head / HR	HOD/ HR
1st Round of Interview	Operations Head / HR/ Functional Head	HR/ Functional Head	Operations Head / HOD/ HR	HOD/ HR	Operations Head / HOD/ Group Head HR	HOD/ Group Head HR	Operations Head / COO/ Head HR	Operations Head / COO/ Head HR
2nd Round of Interview	-	-	-	-	CMD/VC/ CEO/CM O /CFO	CEO/ Operations Head	CMD/ VC/CEO	CMD/ VC/CEO

- The panel shall refrain from giving any indication/ commitment of any nature about the remuneration to be offered. HR shall do the needful during the final round. The panel may at best note down the salary expectations of the candidate, if specified.
- The panel shall be provided with an Interview Assessment Form which shall be duly filled & signed by each member of the panel, at the completion of each interview. (See Annexure IV)
- Once filled, forwarding the form to the members of the next shall be HR's responsibility

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G. Pre-employment Psychometric Test: The Corporate HR Team shall arrange for a **Personal Profile Analysis (PPA)** for certain candidates as enlisted below:

- i. Assistant Manager and above positions
- ii. Marketing/ Sales profile - irrespective of the level

This activity shall be carried out before the final round of interview.

H. Travel Reimbursement for outstation candidates:

The expenses incurred by the outstation candidates shall be reimbursed as per following guidelines

For Staff	Bus/III Tier AC Train
For Management Personnel	AC Bus/ II Tier Train : * <i>Air travel by Economy Class- depending on criticality/ level of the position.</i>

The Company shall make reasonable arrangements for accommodation and meals in cases where overnight travel is involved.

I. Reference Check

- A. **At least 2** references shall be mandatory for candidates selected for Senior Manager and above cadre.
- B. Reference check shall be carried out once the candidate has cleared the 1st round of interview.
- C. It shall be done on case-to-case basis for other positions.

J. Final Selection, Offer and Appointment

Once the panel has selected a candidate for the vacancy,

- i. The HR shall collect relevant details of the candidates viz: current CTC, age, experience etc. so as to make a fitment within the organization's remuneration structure.
- ii. If fitment is positive, an Offer Letter shall be issued to the candidate.
- iii. Letter of Appointment shall be issued upon the candidate's joining the Company. No financial commitments will be made in writing to the candidate prior to his/her joining.

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K. Signing Authority: The signing authority for the Offer Letter & Letter of Appointment shall be as detailed in the table below:

	Corporate Office	Kalol Unit	Sitarganj Unit
Management Personnel	CMD/Vice Chairman/CEO/Head HR/ Authorized Signatory		
Staff	CEO/Head HR/ Authorized Signatory	Unit Head	

L. Communication

- Communication with regard to the selected candidate(s) for Management Personnel category should be sent to the CEO. The same should be conveyed to all the concerned personnel in the Senior Management.
- When such candidates are due to join the Company, HR shall keep CEO informed with relevant details in a prescribed format.
- A formal communication shall be made to all the employees once new recruit has joined.

M. Other

- Rehire Policy:** Rehiring any candidate who has been employed with the Setco Group in the past, shall be solely at the discretion of the Management.
- Cool Down Period:** The cool down period for any position shall be 120 days i.e. any candidate who has been shortlisted and rejected once for a particular position shall not be considered for same position during the cool down period. This shall also apply to any shortlisted candidate who has expressed disinterest in the position he/ she has applied for.

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2. Policy on On-boarding

A. Induction

- All new recruits shall undergo an Induction Program, structured by the Corporate HR Team in consultation with the concerned Senior Management, as per individual recruit's profile.
- The objective is to familiarize the new recruit with the organization's various policies, guidelines and procedures.
- The new recruits in Management category; especially in case of Marketing, Operations functions shall be required to visit both the manufacturing units.
- The visit to manufacturing units shall be arranged on need basis for the new staff recruited in Non-technical function.

B. Asset Allocation

In order to ensure smooth allocation of IT assets to the new recruit, the reporting manager shall submit an IT Request Form to the HR Department, once the recruit has joined. It shall be HR Department's responsibility to ensure the assets allocated as per the individual's entitlements. The assets shall include mobile handset, laptop/ desktop computer, Data card etc. (See Annexure V)

C. Medical Test- Before confirmation:

All Management Personnel will be required to undergo a medical check-up before their confirmation. Letter of Confirmation shall be issued upon submission of Fitness Certificate to the HR Department. These tests shall be carried out at recognized medical institutions wherein the Company has empanelment, and all expenses shall be borne by the Company.

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3. Policy on Employee Referral

- 1) **Scope/ Applicability:** Only confirmed employees shall be eligible for the benefits outlined under this policy.
- 2) **Exclusion:** Following employees shall be excluded from receiving any benefits of this policy:
 - a. Human Resource and Administration Department
 - b. Senior Management
 - c. Those serving notice period in their current positions
- 3) **Policy Statement:** Employee Referral is a cost effective, internal recruitment tool wherein potential candidates can be sourced through the existing employees of the organization.
- 4) **Objective:** The purpose of this policy is to encourage the current employees to refer eligible candidates for employment within the **Setco Group** and to lay down a standard policy governing the same.
- 5) **General**
 1. The vacancies/ positions will be intimated via an email or a notice, along with a brief Job Description to all the employees.
 2. An employee (Hereinafter 'Referrer') may refer a potential candidate by filling up an Employee Referral Form, available with the HR Department. Once the Form, along with the resume of the candidate has been submitted, the standard recruitment process shall ensue. (See Annexure VI)
 3. The referrer will not in any way be involved in the selection / fitment process.
 4. It is important that the referrer knows the candidate personally or through close sources. In case of falsification of documents or misrepresentation of information by the candidate in any manner, it shall be dealt with strictly.
 5. If the referred candidate is selected, the referrer will be eligible for the monetary reward as detailed in the table below. However, the amount shall be disbursed to the referrer only after the completion of 6 months from the 'referred' new recruit's joining **or** on confirmation of the new recruit- whichever is earlier.

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DESIGNATION	MONETARY REWARD
Assistant Manager to Senior Manager	Rs. 12,000/-
All Staff (Except Office Assistants)	Rs. 5,000/-
Office Assistant	Rs. 3,000/-

6. The monetary reward will attract tax deducted at source as per prevailing Income Tax rules.
7. The referrer should be employed with the organization at the time of reward disbursal.
8. All expenses towards this policy will be treated as a part of the Recruitment Cost & accordingly accounted for.
9. In case the candidate referred is rejected during recruitment process, the same candidate can be referred again only after a lapse of 6 months, in case a suitable position is created.
10. Spouse/Fiancé/Fiancée or immediate family member of an employee will not be considered for employment with the Company.
11. If the same candidate has applied for the same job independently or through any other source, the referral shall stand invalid.
12. The referred candidate shall not be given preference, **in any manner**, over other candidates sourced from elsewhere.

4) Policy on Open Job Posting

- I. **Scope/ Applicability:** The policy shall be applicable to all the confirmed employees of the Setco Auto Systems Pvt Limited, who have been occupying their current jobs for a minimum period of 2 years. Any other qualifying criteria specific to the vacancy shall be communicated as and when the job is posted.
- II. **Exclusion:** Any other exclusion criteria shall be specified whenever applicable.
- III. **Policy Statement:** Open Job Posting is an internal recruitment tool, intended to improve staff motivation and morale by lateral moves, thereby exposing the organization's talent pool to a variety of skill sets and leading to more effective and efficient exchange of expertise.
- IV. **Objective:** The policy outlines a standard policy governing Open Job Posting, thereby defining various processes related to the same.

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V. General

- The HR Department will, from time to time, post vacancies through emails/ notice/ company website. These posts shall provide relevant details viz: Job Description, location, educational qualifications, experience etc.
- The employees who fit into the requisite criteria are at a liberty to apply for the job opening, **in confidence** to the concerned HR Personnel.
- The rest of the process shall be in accordance with the standard recruitment policy.
- The employee shall not be shown preference, **in any manner**, over other candidates sourced from elsewhere.
- In the event of the selection of any employee and his/ her subsequent acceptance for this new job position, he/ she shall be required to serve for a minimum period of 2 years on this new job.
- If the employee is selected for a job at a location other than his/ her existing one, prevailing Transfer Policy shall be applicable.

Note:

- The Management of Setco Auto Systems Pvt Ltd shall reserve the rights to alter, amend or keep in abeyance all or any of the rules as specified in this policy, at any point of time without being required to give any notice or reason.
- In case of any dispute/ difference or any point not covered under this policy, the decision of the Management shall be final.

Annexure

Annexure I Manpower Requisition Form

Annexure II Job Description Format

Annexure III Interview Questionnaire Guide

Annexure IV Interview Assessment Form

Annexure V IT- Request Form

Annexure VI Employee Referral Form

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	Title: Policy on Compensation for Trainees (DET/GET/MT)			
SASPL/HR Manual/2021/00	Eff. Dt. 01.09.2021	Last Review: 02.06.2025	Next Review : 01.04.2027	Page 1 of 3

1.1 Scope/ Applicability

This policy shall be applicable to all the Trainees (DETs/GETs/MTs) recruited through the Campus Selection process only, for the Setco Group.

1.2 Exclusion

Any other exclusion criteria have been specified whenever applicable.

1.3 Policy Statement

With ambitious growth plans for the Company, the Management believes in building an in-house talent pool by recruiting the best available human resources from reputed educational institutions.

1.4 Objective

- i. To lay down a standard policy detailing the process for performance evaluation and review of compensation structure thereby for the trainees (DETs/GETs/MTs).

1.5 General

- a. Every year trainees are recruited from the best engineering colleges across Gujarat and Uttarakhand (subject to periodic review by the Management). The institutes currently empaneled by the Company are:
 - i. Govt Engineering College, Godhara
 - ii. Govt Polytechnics, Godhara & Halol
 - iii. Maharaja Sayajirao University of Baroda, Vadodara
 - iv. Parul University, Waghodiya
 - v. Sardar Vallabhbhai National Institute of Technology, Surat
 - vi. LD College of Engineering, Ahmedabad
 - vii. Birla Vishwakarma Mahavidyalaya, Vallabh Vidyanagar
 - viii. A D Patel Institute of Technology, Anand
 - ix. Lukhdhirji Engineering College, Morbi
 - x. G B Pant University, Pantnagar
 - xi. Graphic Era University, Nainital
 - xii. **NIFFT, Ranchi (Added in 2015 in the interest of both Lava Cast and Setco requirements)*
 - xiii. *CADCAMGURU, Pune (Added in 2015 in the interest of Setco R&D requirements)*
 - xiv. *And Tier 1 Technical Colleges from other nearby states.*

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1.4 Procedure

- The Annual compensation (CTC) offered to the DETS/GETs/MTs shall be Rs.2,20,000/-, Rs.3,46,000/- & Rs.4,00,000/- plus Performance-linked Variable Pay to be paid based on Individual & organizational performance as per Table A.
- Upon joining, the Trainees shall undergo cross-functional training for a duration of 6 months and then placed as understudy for 3 months and under subordinate charge for another 3 months. During this period, they shall be required to acquire hands-on experience with various machines on the shop floor in order to understand the production requirements better.
- At the end of the training period, the trainees shall be evaluated (*See Annexure I*). The outcome of such an evaluation can be respectively for DETs, GETs, MTs are Junior Engineer, Engineer and Assistant Manager **OR** Extension of the training period by 3 months **OR** Relieving from services on completion of training.
- In case of confirmation after one year, the career progression for the GETs, who have been consistently rated at least 'Good' in the Annual Appraisals, will be as per Table A as per revised CTC column.
- In case of extension of the training period, the trainee shall not be eligible for the Performance-linked Variable Pay.
- In the subsequent financial year, they shall become eligible for the Appraisal Cycle and the compensation shall be reviewed solely on the basis their performance evaluation.
- In case of the trainees recruited from institutes other than those enlisted in 1.5 (a), the concerned shall be eligible for an increment of 10% only and no Performance-linked Variable Pay shall be paid after completion of 1-year training.
- Trainees whose performance is dissatisfactory will be relieved on or before completion of training period.

Table A

Designation	Tenure (In Years)	CTC in (Rs.)	Retention Bonus	Variable Pay	CTC Revision After Completion of 1 Year
'Diploma Engineer Trainee'	1	2.20 LPA		Rs.10,000	3.00 LPA as Jr. Engineer
'Graduate Engineer Trainee'	1	3.46 LPA		Rs.20,000	4.00 LPA as Engineer +50k Retention Bonus +20k Variable Pay
'Management Trainee'	1	4.00 LPA	Rs.50,000	Rs.20,000	7.00 LPA as AM +50k Retention Bonus +35k Variable Pay

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Note:

- The Management of Group shall reserve the rights to alter, amend or keep in abeyance all or any of these rules at any point of time without being required to give any notice or reason.
- In case of any dispute/ difference or any point not covered under this policy, the decision of the management shall be final.

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 SETCO AUTO SYSTEMS <i>Efficient Engineering</i>	Setco Auto Systems Private Limited			
	Title: Policy on Deputation , Transfers & Relocation of New recruits			
Policy No.: SASPL/HR Manual2021/00	Eff. Date:01.09.2021	Last Review Date:02.06.2025	Next Review Date: 01.04.2027	Page No.: 1 of 3

1. Scope/ Applicability

This policy shall be applicable to all the employees of the Setco Auto Systems Private Limited, for deputation & transfer, unless exceptions specified and applies to Management personnel for relocation of new recruits.

2. Exclusion

Exclusion criteria shall be specified whenever applicable.

3. Policy Statement

The Company has been expanding its footprint across locations in India, necessitating employee movement from one location to another in the form of deputation, transfers, and relocation of new recruits in response to business exigencies. Such movements are also encouraged to support individual career development, skill enhancement, and overall organizational effectiveness.

4. Objective

- To lay down a standardized policy governing deputation, transfers, and relocation of employees and new recruits
- To define and explain the procedures to be followed for administering the same in a consistent and transparent manner

5. Definitions & Timeline

Term	Definition
Transfer	Movement for more than 6 months
Deputation	Temporary movement up to 6 months; break less than 30 days is continuous
Relocation	New recruit movement more than 100 kms.

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6. Procedure

6.1 Deputation Procedure

- Functional Head raises requirement to HR.
 - HR selects and finalizes candidate and Deputation letter will be issued by HR.
 - Handover within 15 days.
 - Functional Head informs authorized person in HR Department one week before completion.
- Entitlement for Deputation as below:**
- Boarding and Lodging Expenses: The Company shall make necessary lodging and boarding arrangements, according to the eligibility of the employee, as per the prevailing Travel Policy.
 - Deputation allowance Rs.250/week if eligible (on pro-rata basis)
 - Family visit allowed once after 10 weeks during deputation, expenses will be reimbursed as per travel policy.

6.2 Transfer Procedure

- Initiation: Functional Head identifies requirement and informs HR.
 - HR identifies and finalizes suitable candidates.
 - HR issues written communication to employee.
 - Handover to be completed within 45 days with asset & document acknowledgment.
- Entitlement for transfer as below:**
- Employee eligible for transit leave for 3 days
 - The Company shall make necessary lodging and boarding arrangements, according to the eligibility of the employee, for a maximum period of 15 days upon the transfer. Subsequent costs would be borne by the employee.
 - School admission reimbursement: Rs.10000 per child.
 - Household Goods Transfer Reimbursement in case of transfer.

Level	Amount (Rs.)
Operators	10000
Executives	15000
AM-AGM	20000
GM & Above	25000

- Employee-requested transfer costs borne by employee.

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6.3 New Recruit Relocation Reimbursement Procedure

- Applicable if distance is more than 100 Kms.
- HR Manager recommends and Head HR approves.
- Employee submits bills within 30 days accounts verifies claims.
- Covers travel, household goods, vehicle and miscellaneous expenses.
- Accommodation provided for seven days and Special leaves for 3 days to settle down.
- Recovery applicable if employee exit within 1 year.

7. Approval Matrix

Role	Responsibility
Department Head	Business Need Approval
HR Manager	Process & Policy Compliance
HR Head	Final Approval
Accounts	Claims Validation

- HR, Functional Heads and Employees share responsibility for smooth execution.

Note:

The Management of Setco Auto Systems Private Limited shall reserve the rights to alter, amend or keep in abeyance all or any of these rules at any point of time without being required to give any notice or reason.

In case of any dispute/ difference or any point not covered under this policy, the decision of the management shall be final.

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1. Purpose

This Compensation and Benefits Policy is designed to ensure **internal equity and market competitiveness** by structuring the Cost to Company (CTC) through a standardized framework. By defining clear minimum salary bands for each level, the organization ensures that employees in similar roles with comparable experience receive equitable and consistent compensation.

2. Objectives

- To establish a **transparent, grade-based compensation structure** across the organization.
- To ensure **internal equity** by aligning compensation for roles of similar value and responsibility.
- To maintain **external competitiveness** through periodic benchmarking with industry standards.

3. CTC Component Breakdown

The following standard structure shall be applicable across all levels to ensure uniformity and compliance with statutory requirements:

a. Basic Salary:

Minimum fixed at **50% of total CTC**.

b. House Rent Allowance (HRA):

Shall range between **40% to 50% of Basic Salary**, depending on the location of posting.

c. Statutory Contributions:

Includes the following, as applicable under prevailing laws:

- **Employer's Provident Fund (PF):** 12% of Basic Salary
- **National Pension System (NPS):** 10% of Basic Salary (if opted by the employee)
- **ESIC:** 3.25% of Gross Salary, wherever applicable

d. Other Allowance:

A balancing component used to align the total compensation with the approved grade-wise CTC.

e. Reimbursements: Provided as per eligibility defined in Table 4.2

f. Variable Pay: Structured as per performance-linked criteria outlined in Table 4.3

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g. Retention Bonus: May be offered for critical roles based on management recommendation. Such bonus shall:

- ✓ Require a predefined minimum retention period is one year or as decided by while appointment.
- ✓ Be not less than 5% of the annual CTC

4. Level-wise Minimum CTC Structure

The **minimum CTC structure** for all the functions defined as per Table 4.1 as below.

4.1 Table 4.1: Minimum CTC Range in Lakhs (₹) Per Annum for employees

Grade	Minimum CTC Range in Lakhs (₹)PA	
	CTC	Variable % of CTC
Staff	3.00	5.00%
AM- Manager	7.00	7.50%
Sr. Manager - AGM	15.00	10%
DGM & Above	24.00	10%

4.2 Reimbursement Type & Criteria

Table 4.2	
Reimbursement Type	Limit / Criteria Per Annum
Washing Allowance	Max 6% of CTC or ₹36,000, whichever is lower
Leave Travel Allowance (LTA)	Max 8.33% of Basic or ₹1,20,000, whichever is lower
Fuel Allowance	Max ₹60,000 to ₹1,50,000
Car Allowance	Max ₹5,00,000
Note: Employees with CTC ≤ ₹12,00,000 are not considered for any reimbursement amount in CTC.	

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4.3 Grade-wise Variable Pay Structure:

Table 4.3 Variable Pay Structure		
Employee Category	% of CTC (Annual)	Performance Weightage (Organizational : Individual)
Staff	5%	50:50
Assistant Manager to Manager	7.5%	60:40
Sr. Manager to AGM	10%	70:30
DGM & Above	10%	80:20

4.4 Annual Audits: The Management reviews pay parity annually to identify and correct any gender or tenure-based wage gaps.

4.5 Compensation to the Management cadre not falling under above category designation:

The compensation structure for employees in the management cadre, including but not limited to Assistant Vice President (AVP), Vice President (VP), Chief Operating Officer (COO), Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Marketing Officer (CMO), shall be determined by the Board/Management Committee. Such compensation will be based on individual experience, role criticality, organizational performance, and industry benchmarks, and may include a mix of fixed salary, performance-linked incentives, long-term benefits, and other perquisites as approved from time to time.

Notes

- The figures in Table xxx represent **minimum compensation thresholds**; actual compensation may vary based on experience, competency, and criticality of the role.
- Any deviation from the above structure requires **management approval**.

1. Objective:

The objective of this policy is to reward employees based on the overall performance of the organization and their individual contributions toward business goals. Variable pay is designed as an incentive component for employees (over and above the Cost to Company), to encourage a high-performance culture and align with the strategic objectives of the company.

2. Scope:

This policy is applicable to all on-roll employees of the organization, excluding operators.

3. Policy Guidelines:

3.1 Frequency of Disbursement:

- Variable pay part based on organization's performance will be reviewed and disbursed quarterly.
- The final payout will be paid in the following month of end of each quarter (i.e., July, October, January) & payout for the last quarter will be disbursed along with Last Salary of respective financial year i.e. Salary of March month

3.2 Eligibility Criteria:

- Employees must have completed at least one full quarter of service to be eligible.
- Employees on long-term leave (e.g., maternity, sabbatical) may receive pro-rata variable pay, subject to management discretion.
- Variable pay is not applicable to employees on a Performance Improvement Plan (PIP) or those with disciplinary action during the review period.

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3.3 Performance Review: Performance is evaluated based on a dual parameter organizational & individual goals.

3.3.1 Organizational Performance – Based on achievement of business metrics such as revenue, profitability (EBITDA), cost efficiency, customer satisfaction, and quality.

3.3.2 Individual Performance – Based on annually reviews of goal achievement through Key Result Areas (KRA) and Key Performance Indicators (KPI) as per the goal sheet.

Each employee's variable pay payout is calculated using a specific Organizational to Individual Performance (X:Y) ratio, which varies by employee grade category as per Grade-wise variable pay structure.

3.4 Resignation Clause: Employees who have resigned will not be eligible for variable pay unless:

3.4.1 They have served the full notice period, **and**

3.4.2 Their last working day falls after the end of the relevant quarter.

4. Grade-wise Variable Pay Structure:

Employee Category	% of CTC (Annual)	Performance Weightage (Organizational : Individual)
Staff	5%	50:50
Assistant Manager to Manager	7.5%	60:40
Sr. Manager to AGM	10%	70:30
DGM & Above	10%	80:20

*Exception as applicable as per Appointment/Increment letter.

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5. Confidentiality:

All variable pay-related information is confidential and must not be shared or discussed with peers. Any breach of confidentiality may result in disciplinary action.

6. Review & Modification:

This policy will be periodically reviewed by the HR Department in consultation with the Management to ensure relevance and competitiveness. Modifications, if any, will be communicated formally.

7. Performance Assessment: A Standard Performance Review Template must be used for evaluation.

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1.1) Scope/ Applicability

This policy shall be applicable to all the confirmed Staff to Management Personnel of Setco Auto Systems Private Limited, unless exceptions specified. All new recruits shall be considered for an Appraisal Cycle, if they join on or before 30th September of the assessment year. New recruits who joined after 30th September can be considered as per management approval.

1.2) Exclusion

The Performance Review for the employees falling under the purview of “Workmen” shall be in accordance with the terms of the prevailing collective bargaining agreement; hence beyond the scope of this policy. Any other exclusion criteria shall be specified whenever applicable.

1.3) Policy Statement

The Performance Management System is a formal process meant to communicate organizational goals and objectives, reinforce individual accountability for meeting those goals, tracking and evaluating individual and organizational performance results. This policy aims to cultivate a culture focused on results and achievement-based evaluations while establishing a robust and effective Performance Management System.

1.4) Objective

To lay down a standard policy governing performance management.

To define and explain the procedures to be followed at various stages during the Appraisal Cycle, along with the prescribed timelines.

1.5) General

- a. **Assessment Year/ Appraisal Cycle:** For the purpose of Performance Management System, the Assessment Year shall be from **1st April- 31st March**, i.e., financial year.
- b. **New Recruits:** Employees who join on or before September 30th of the financial year will be appraised on a pro-rata basis. New recruits joining after September 30th will either be considered in the next financial year or, subject to management approval, included in the current PMS cycle on pro-rata basis.
- c. **Appraisee:** An employee who is being appraised shall be referred as Appraisee.

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- d. **Assessor:** The immediate superior/ reporting manager who is responsible for executing an appraisee's review shall be referred as 'Assessor'.
- e. **Reviewer:** A Reviewer shall oversee the appraisal process for an appraisee and shall usually be the skip-level reporting manager.
- f. **Role of HR Department:** The HR Department shall serve as 'Facilitator' and 'Counselor', ensuring smooth implementation of the entire appraisal process.
- g. **Key Result Area (KRA):** The KRA will be aligned with the organization's strategic goals and objectives. It will have a cascading effect, flowing down from the departmental Heads (HODs) to employees of respective department, which ensures that departmental goals support the overall organizational objectives.
- h. **Key Performance Indicator (KPI):** KPIs will be developed based on the defined KRAs. These indicators will measure the effectiveness and performance of employees in achieving their specific KRAs, ensuring that each individual's contribution is measurable and aligned with the department's and organization's goals.

1.6) Process

Methodology: The entire process of Performance Management will be online - on the HRIS portal/ via mail; Soft copy must be kept for future reference.

The weightage of goals allocated to these parameters shall be as per **Table 1.1**. The process of appraisal shall be administered based on review of the parameters. The employees shall be rated on a score of 100 as per Table 1.2

- i. The process of Appraisal shall comprise of the following steps:

- a. **Goal-Setting:** The process of Goal Setting shall begin with creating a strategy at the corporate level. These goals shall serve as a basis of KRAs for business unit, it will have a cascading effect, flowing down from the departmental Heads (HODs) to employees of respective department. HODs will be responsible for assign goals/KRA/KPIs to his/her team and submit to HR Department. The process shall be undertaken in the first week of April. The goals thus set shall be documented in a prescribed format of Goal Sheet on the portal/Excel Format.

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- b. Mid-term review:** The managers are encouraged to carry out mid-term reviews (between September and October) of the appraisees progress made towards the meeting the identified targets and consider a revision of the KRAs in event of business exigencies or change of role, if required. Any revision on the KRAs shall be approved by **the assessor & reviewer**. Mid-term reviews & in case of changes in KRA, KPI or change in role must kept in records and submitted to HR Department.
- c. Self-Appraisal:** Self-Appraisal involves a formally documented evaluation by the appraiser of his/ her job performance against the set targets.
- Please Note: Only GM & Above shall be eligible for Self- Scoring.**
- d. Evaluation and Discussion:** The objective evaluation shall commence with the performance being discussed between the assessor and the appraiser. The purpose of such discussions shall be providing the appraiser a constructive feedback with a focus on counseling rather than criticism. Post discussions, the assessor shall formally document the rating and his/her comments on the appraiser's performance on the portal/ prescribed format, and forward the same to the Reviewer, **Table 1.4: Future Growth plan** – it compiles the identified skill gaps and key strengths of the respective employee, providing a clear overview for developmental needs.
- e. Final Review:** The final review shall be presided over by the reviewer and concluded before 31st March. The ratings thus given shall be final for the purpose of further action. *(The Assessor and the Reviewer shall ensure that the ratings are not shared with the appraiser at any point of time.)*
- f. Interpretation of Final Score:** The HR department will consolidate data, engage in discussions with management, and finalize PMS outcomes using a bell curve methodology for fair evaluation at both departmental and organizational levels. The score shall be interpreted on the basis of the Rating Scale tabulated in the **Table 1.3: Overall performance rating and score criteria**.
- g. Disbursal of rewards and Communication:** After normalization, Based on the overall annual appraisal performance ratings and recommendation, the employees shall be eligible for rewards. The rewards disbursed shall be primarily of two types viz: Monetary and Non-monetary.

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1. Monetary Rewards

- **Increment:** Increment refers to the increase in the gross salary as a whole. The percentage of increments could vary year-on-year depending upon the macro environment.
- **Promotion:** It is elevation of an employee in terms of his/ her designation, which may be followed advancement in the job responsibilities.
- **Variable pay:** Variable pay refers to amount over and above the CTC provided to the employee as a reward based on organizational & individual performance. Variable pay is no commitment from the company to the individual employee. Variable pay will depend on the achievement of organizational & individual goals and will be disbursed after the end of each quarter. Employees who resigned (including employee under notice period) will not be eligible for the variable pay. Details of the variable pay given in *Performance Linked Variable Pay Policy*. Sales Variable/Incentive pay, applicable to 'Independent After Market team' is different from the variable pay and governed by as per *Sales Incentive Policy* for Below Managers.

2. Non-monetary Rewards

- **Re-designation:** Re-Designation refers to change in only the position title, but everything else remains essentially the same with regard to job responsibilities, place of work, reporting structure, etc.
- **Job Rotation:** Job Rotation is a planned movement of the employee into other function, usually as a result of career growth coupled with the organizational needs.

3. Others:

- It is highly recommended that both the assessor and the appraisee should provide the data or documents supporting the performance achievements, at the time of evaluation and discussion.
- The management of the Company respects the need to maintain confidentiality at every step during the process. Adequate care needs to be exercised by the assessor and reviewer to ensure a climate of trust and transparency during the evaluation.
- In event of grievance, the appraisee will share the issue with his/ her assessor and the same may be escalated to the reviewer and/ or the HR Department, if required, by the assessor.

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1.7) Future Growth Plan :

The framework described aligns with **succession planning** and **career development** strategies aimed at ensuring organizational sustainability and employee growth. Here's a breakdown of how it works and its purpose:

Career Development: Evaluates the potential of employees to move into higher roles within their current function or department.

- Assesses employees' interest in transitioning to other functions, ensuring alignment with their career aspirations and organizational needs.
- Provides justifications for employee suitability based on their skills, performance, and interest areas.

Critical Position Identification

- Determines whether a specific role is critical to organizational operations and strategy.
- Identifies the high-potential employees who can be groomed to take up critical roles, ensuring business continuity.

Successor Identification: Names potential successors for critical positions, preparing for smooth role transitions during planned or unplanned vacancies.

Note: The Management of Setco Auto Systems Private Limited shall reserve the rights to alter, amend or keep in abeyance all or any of these rules at any point of time without being required to give any notice or reason.

In case of any dispute/ difference or any point not covered under this policy, the decision of the management shall be final.

The policy shall be effective from 2nd June 2025 and shall supersede earlier policy/ procedure.

Annexures

Table 1.1 Grade wise Contribution in Performance appraisal Score

Grade	Individual goals	Skills/Competency
GM and above	80%	20%
Senior Managers to DGM	70%	30%
Assistant Managers and Managers	60%	40%
Staff	50%	50%

Table_1.2_Employee Performance Evaluation Table

For All the grades available in table 1.1 respective Code wise weightage distribution given below.

		Staff	AM and Managers	Senior Managers to DGM	GM and above				
A	Key Result Area	Weightage	Weightage	Weightage	Weightage	Target	Achievement	Actual Score	Remarks
Individual Goals	KRA 1	15%	15%	15%	20%				
	KRA 2	15%	15%	15%	15%				
	KRA 3	10%	15%	15%	15%				
	KRA 4	5%	10%	15%	15%				
	KRA 5	5%	5%	10%	15%				
A	Total Individual performance score	50%	60%	70%	80%				
Skills/ Competency	Job knowledge & skills	30%	10%	5%	0%				
	Problem Solving & Communication	10%	10%	10%	5%				
	Team Work	5%	5%	5%	5%				
	Cost saving & Kaizen	5%	10%	5%	5%				
	Leadership	0%	5%	5%	5%				
B	Score of Skills/Competency	50%	40%	30%	20%				
	Total Score (A+B)	100%							

**For Detail calculations please find explanation below*

Explanation of Calculations:

1. **Individual Goal Score (80%/70%/60%/50%):** The score achieved on individual goals, multiplied by weightage assign, up to max cap in table 1.1 against respective grade/level ;Maximum KRA cannot more than five.
2. **Weightage:** Weightage of KRA can be set by Department heads.
3. **Skills/Competency Score (20%/30%/40%/50%):** The score achieved on Skills/Competency mapped, multiplied by weightage assign up to max cap in table 1.1 against respective grade/level.
4. **Total Score:** The sum of the weighted organizational and individual goal scores.
5. **Remarks:** Qualitative feedback on each employee's performance for increment & promotion.
6. **Future Growth plan:** It captures Individual Development Plan (IDPs) or executive development plan & Gap Identified.
7. In comments column of assessor &/or reviewer must justify the performance rating of the appraisee and incase of promotion, specific justification shall be mentioned in addition to identification of key strength & future growth.

Table 1.3 Final Score Base Rating Criteria

Rating	Score
Fair	Less than or equal to 60
Average	Between 61 to 70
Good	Between 71 to 80
Very good	Between 81 to 90
Excellent	Between 91 to 100

Table 1.4 Future Growth Plan

1	2	3	4	5
STATUS OF THE JOB: (Critical/Non Critical)	POSITION TITLE	EMPLOYEE NAME	RETIREMENT STATUS	POTENTIAL OF EMPLOYEE
6	7	8	9	
GAP INDETIFIED	INTERNAL TRAINING REQUIRED	EXTERNAL TRAINING REQUIRED	NO. OF STAFF READY FOR SUCCESSION	

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Policy No.: SASPL/HR Manual/2021/00	Eff. Date: 01.01.2024	Review date:01.04.2025	Next Review Date: 01.04.2027	Page No.:1 of 4

Preamble:

This Rewards & Recognition Policy reflects our commitment to a positive workplace culture. It introduces structured programs, each with defined criteria, transparent nomination processes, and meaningful rewards. This policy *ensures consistent communication* of the initiatives, fostering employee engagement, motivation, and a shared understanding across the organization. In this policy **Setco auto system private limited** will be referred as **SASPL**.

Scope of the policy:

This policy covers all employee across all the units of SASPL, including field staff and contractual employees for the participation and nomination.

Methodology:

To implement the policy & programme their under at **SASPL**, Transparent feedback with evidence is needed for the nomination. Management has appointed committee for the matter & finalized the parameters & weightage for the evaluation. Head of each department is responsible for submitting Kaizen participation with details, suggestions & nominations to the respective committee every month. Nominations should align with the established criteria and include compelling details of the employee's contributions.

The policy encompasses the three R&R programmes:

1. Employee of the month
2. Kaizen
3. Innovate & elevate (Suggestion) Scheme

Detailed procedure and required formats for each programme has been given in this policy in respective sections.

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1. Employee of the month

Based on nominations received as per formats in the annexure. It shall be announced in following category in each:

- 1.1 Best Employee in Operations (For Staff) as per Table 1.1
- 1.2 Best Employee from Shop floor (for non-staff) as per Table 1.2
- 1.3 Best Employee in Sales & Marketing as per Table 1.3

Nomination and Selection:

The Committee will get consolidated list of all the names and details based on nominations submitted by HODs and announce the best employee of the month Award based on details submitted. The last date of sending the nomination is 15th of every month for nominating immediately preceding month.

Award:

Award for each category will be for **Rs.5000/- cash voucher** with a certificate. Employee's name will be displayed on the wall of fame at the plant and can be posted on the social media.

Award declaration:

Employee of the month Award will be announced & facilitated in the 'Town hall meeting' for each month.

2. Kaizen Initiative Program

Kaizen Initiative Program will depart from usual suggestion programs what people usually think about the part of input process of Kaizen. It will be based on the principle that people inherently want to improve their work surroundings, and that the roles of every employee fond of long-term continuous improvement. Ever employee/Group should understand that the ideas/initiatives of employee/Group of employees ultimately contribute to the bottom line, but more important, that they provide a sense of ownership and that they have some control over their fortune.

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The Initiative is not all about the money saved but to increase the safety, quality and productivity & morale of the employees.

- Whenever the operator/engineer thinks a particular Kaizen can be done in his\her area, s\he would approach respective HODs and inform him\her about the improvement idea in written.
- HODs decides feasibility of Kaizen as per the criteria or parameters (Productivity, Quality, Cost, Delivery, Safety etc.) and support the employee to implement Kaizen and also work out which of the above parameters are benefited. The Kaizen forms will be available with all HOD's, HR department & the Kaizen coordinator.
- HOD or Kaizen coordinator collect details before and after Kaizen implemented and make a presentation on all the Kaizens received in that respective department.

Nomination and Selection:

Kaizen Coordinator collects all the Kaizen & get it reviewed from Kaizen and Suggestion review committee.

‘Kaizen and Suggestion Review Committee’ will review all the Kaizen forms & suggestions of past three months and select best 3 Kaizens.

Details has been given below in the annexure Table 2.1 Criteria for scoring under Kaizen Initiative Program.

Award:

Every quarter three Kaizens on PQCDM and one Kaizen from Safety will be selected for award and Winner will be given a certificate and prize.

All those who have implemented & submitted Kaizen forms, based on review & validation of committee members, they will be given reward points for their efforts.

Details has been given below in the annexure Table 2.1 For Kaizen Scheme

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3. Innovate & elevate (Suggestion):

This programme encouraging employees to submit helpful ideas for new products, identify potential improvements to the workplace, or call attention to any problems or difficulties they may be experiencing. If suggestion is approved by HOD of respective department for which suggestion has been given, reward points will be given to employee.

The "Innovate & Elevate" suggestion scheme is open to all contract, permanent, and staff employees up to the Manager level. Participants whose suggestions are appreciated will receive 50 reward points as a monthly recognition.

The Reward & Recognition Committee:

To review Kaizen & suggestion committee consist of Members Approved by management representing all key major function of the organisation appointed.

To finalize criteria & selection of 'Best employee of the month' and committee members are as available in the annexure.

Annexures:

Table 1.1 Best Employee of the month Staff Category

		Setco Auto Systems Private Ltd.			
		BEST EMPLOYEE FOR THE MONTH OF MMM-YYYY			
	Name of employee				Insert/Paste Photo Here
	Employee Code				
	Joining Date				
Sr. No.	Evaluation Criteria	Description	Max Score	Score Given	Remarks
1	Punctuality & Discipline	Timely attendance, adherence to work timings, and completion of daily responsibilities without delay.	15		
2	Work Quality & Ownership	Accuracy in tasks, attention to detail, and ownership of assigned responsibilities.	20		
3	Teamwork & Attitude	Cooperation with peers, respectful behavior, openness to learning, and proactive communication.	20		
4	Goal Achievement	Performance against planned vs actual targets, task completion aligned with departmental goals.	25		
5	Kaizen & Improvements	Active contribution to Kaizen, cost-saving ideas, safety improvements, or process enhancements.	20		
	Total		100		
Provide Job Related Example					
Sr. no	Details of Works (At least 3 areas from A,B,C and D should be submitted for consideration)				
A	Customer support Internal / External (Please provide one example)				
B	Financial / Cost saving Projects (Please provide one example)				
C	Organisational Development (System or procedure improvement)				
D	Efficiency or Productivity improvement				
E	Additional/ Other Achievements				
For Use of Committee Only					
Date of submission	CFT Approval				Accepted/ Rejected
	HOD	Plant Head	HR Head	CEO	
DD.MM.YYYY					

Table 1.2 Best Employee of the month Non-Staff Category

		Setco Auto Systems Private Ltd.			
		EMPLOYEE FOR THE MONTH OF MMM-YYYY			
		Insert/Paste Photo Here			
	Name of employee				
	Employee Code				
Sr. No.	Evaluation Criteria	Description	Max Score	Score Given	Remarks
1	Attendance & Punctuality	Maintains regular attendance, adheres to shift timings, and avoids unplanned absences.	25		
2	Daily Production Target Achievement	Consistently meets or exceeds production targets with required quality and minimal rework or scrap.	25		
3	Behaviour, Discipline & PPE Compliance	Demonstrates respectful conduct, follows rules, and consistently adheres to PPE and safety guidelines.	15		
4	Kaizen / Suggestion Participation	Actively contributes ideas for cost saving, productivity, safety, or quality improvements through Kaizen/suggestions.	15		
5	5S & Work Excellence	Having Knowledge of 5S & applies up to 3S effectively, performs daily CLIT activities, and maintains basic quality checks as per work instructions.	20		
Total			100		
Provide Job Related Example					
Sr. no	Details of Works (At least 3 areas from A,B,C and D should be submitted for consideration)				
A	Customer support Internal / External (Please provide one example)				
B	Financial / Cost saving Projects (Please provide one example)				
C	Organisational Development (System or procedure improvement)				
D	Efficiency or Productivity improvement				
E	Additional/ Other Achievements				
For Use of Committee Only					
Date of submission	CFT Approval				Accepted/ Rejected
	HOD	Plant Head	HR Head	CEO	

Table 1.3 Best Employee of the month Sales & marketing Category

 Setco Auto Systems Private Ltd. EMPLOYEE FOR THE MONTH OF MMM-YYYY		Insert/Paste Photo Here			
Name of employee					
Employee Code					
Sr.no	Evaluation Criteria	Description	Max Score	Score Given	Remarks
1	Product/Market Knowledge & Initiative in Campaigning	Understanding of offerings and market trends, Inputs/efforts towards ongoing or new marketing and proactive efforts for business growth	20		
2	Punctuality & Reporting Discipline	Consistency, Timely submission of reports, adherence to follow-ups	30		
3	Collaboration & Teamwork	Coordination with peers, marketing team, and cross-functional teams	15		
4	Sales Target Achievement & Lead Conversion Rate/ (Filed validation for Service Team)	% of monthly target achieved; Ratio of leads converted to actual sales \ (Filed trail fitment for Service Team)	25		
5	Customer Relationship & Feedback	Quality of customer interaction, feedback collected	10		
Total			100		
Details of work					
Sr. no	Details of Works				
For Use of Committee Only					
Date of submission	CFT Approval				Accepted/ Rejected
RM	CMO	HR Head	CEO		

Table 2.1 Criteria for scoring under Kaizen Initiative Program

Sr. No.	Criteria	Max Marks	Improvement up to 5%	Improvement > 5% to 10%	Improvement > 10%
1	Productivity	20	10	15	20
2	Quality	20	10	15	20
3	Cost	15	8	10	15
4	Delivery	15	8	10	15
5	Safety	20	10	15	20

Table 2.2 For Kaizen Scheme - Applicable to all

*Reward points are equivalent to currency value as decided by management but not necessarily converted into the cash. Employee will be eligible to get equivalent gift/voucher or cash in kind.

Reward Category	Evaluation	Reward Details	Reward points
Participation Reward	Monthly	Reward point of appreciation for each Kaizen	150
One time Savings	Quarterly	Max. 1% of saving amount or Rs.10000 whichever is lower	10000
Recurring Saving	Annually	Max. 2% of saving amount or Rs.25000 whichever is lower	25000

 SETCO AUTO SYSTEMS <i>Efficient Engineering</i>	Setco Auto Systems Private Limited			
	Title: Policy on Mobile handset			
SASPL/HR Manual/2021/00	Eff. Dt. 19.02.2024	Last Review: 01.12.2025	Next Review: 01.04.2027	Page 1 of 2

Purpose:

This policy outlines the guidelines and procedures for the reimbursement of mobile device Purchases incurred by employees for business purposes at Setco Auto Systems Private Limited.

Eligibility:

Sr. No	Designation	Amount as below or actual which is lower
1	Manager / Senior Manager	11,500
2	AGM / DGM / GM	19,500
3	VP & above	Discretionary

Reimbursement Guidelines:

- A. **Reimbursement Amount:** Setco Auto Systems will reimburse a portion of the cost of purchasing a mobile device that is necessary for the employee's job responsibilities. The reimbursement amount should be pre-approved and in accordance with company guidelines.
- B. **Authorized Devices:** Only mobile devices approved by the IT department or authority (CEO /CFO / VC/CMD) will be eligible for reimbursement.
- C. **Upgrade Policy:** Employees are eligible to upgrade the mobile device after 36 months of the previous claim.
- D. **Documentation:** Employees must provide detailed receipts or invoices for the mobile device purchase along with a justification of how the device will be used for business purposes.
- E. **Limitations:** Reimbursement amounts are subject to company-approved limits and guidelines. Employees are responsible for any costs exceeding the approved limit.

Depreciation Guidelines:

In the event of cessation of user service with the company for any reason, with the following period of purchase, the user shall retain the said mobile phone by paying to the company the following percentage amount.

- A. Cessation within 6 months: 100%
- B. Cessation during 7 to 18 months: 67%
- C. Cessation during 19 to 36 months: 33%
- D. After 36 months of the purchase date. No amount shall be payable by user to the company towards the aforesaid mobile reimbursement.

 SETCO [®] AUTO SYSTEMS <i>Efficient Engineering</i>	Setco Auto Systems Private Limited			
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Submission of Expenses:

- A. Employees must submit their mobile purchase expenses for reimbursement within a specified timeframe of 1 month from date of invoice date, using the designated expense form provided by the finance department.
- B. The expense form should include detailed receipts and approval from the respective department head or manager.
- C. The expense form must be submitted to the finance department for verification and processing.

Approval Process:

- A. Department heads or reporting manager / authority are responsible for reviewing and approving mobile purchase reimbursement requests submitted by their respective team members.
- B. The finance department will verify the accuracy and compliance of the submitted expenses before processing reimbursements.

Compliance:

- A. Employees are expected to comply with this policy and use reimbursement funds only for approved business purposes.
- B. Any misuse or abuse of mobile purchase reimbursement privileges may result in disciplinary action.

Changes to Policy:

Setco Auto Systems reserves the right to modify, amend, or terminate this policy at any time without prior notice. Employees will be notified of any changes to the policy in a timely manner.

Contact Information:

For questions or clarification regarding this policy, employees may contact the HR department or their respective department heads.

Effective Date:

The revised policy is effective from 01.12.2025 and supersedes any previous policies or guidelines related to mobile purchase reimbursement.

 SETCO AUTO SYSTEMS Efficient Engineering	Setco Auto Systems Private Limited			
	Title: Policy on Setco Employee Benevolence Fund Scheme			
SASPL/HR Manual/2021/01	Eff. Dt. 01.09.2021	Reviewed on: 02.06.2025	Next Review : 01.04.2030	Page 1 of 2

1.1) Scope/Applicability: This policy shall be applicable to all employees on the rolls of respective Setco Unit.

Explanation: *Setco Kalol Unit (Inclusive of Mumbai, Chennai, Pune, Noida office & all Field and service locations) For Setco Uttarakhand Unit from employees of UKD unit only.*

1.2) Exclusion: Currently there are no exclusions.

1.3) Policy Statement

Death of an employee while in service is not only an asset loss for the Setco family, But also permanent emotional and financial distress to his/her family. At such times, benevolence in the form of immediate financial assistance must be readily available so as to enable the dependent family to tide over their genuine financial stringency. The Management of the Setco Group acknowledges its moral responsibility towards the employees' families and feels there is a need for financial aid. Thereby, the objective of the Setco Employee Benevolence Fund Scheme is to provide, as a special welfare measure, financial relief to the family members of the deceased employee, irrespective of the cause of death.

1.4) Objective

To lay down a standard policy governing various aspects for administering the Setco Employee Benevolence Fund scheme.

1.5) General

- a. All regular employees of the Setco Group shall be eligible for the assistance vide this scheme.
- b. In the event of death while in service, the dependent family shall be given financial assistance as specified in this policy document.
- c. Each case shall be evaluated based on background of the employee (whether married /unmarried, years of service with Setco Group, whether there are other breadwinners in the family, whether there are any dependents or there are no dependents)
- d. The assistance provided from the Company shall be to the extent of Annual CTC of the deceased employee OR Rs.5,00,000 (Rupees Five Lakhs only); whichever is lower.

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e. In addition to the above, the HR Department will inform employees about the unfortunate demise of a Setco Family member and will coordinate the deduction of a contribution amount from the salaries of all fellow employees of the respective unit as defined above in **clause 1.1 Scope of the policy** in the following month, as per the grade/level-wise amounts specified below.

Sr.No	Category/Level	Old amount(Rs.)	New Amount (Rs.)
1	AVP & Above	1000	5000
2	AGM to Sr. GM	700	2000
3	Manager to Sr. Manager	500	1500
4	Assistant Manager	300	1000
5	Sr. Executive, Sr. Engineer, Engineer, Executive	250	500
6	DET , GET, Office Assistants	200	300
7	Operators	150	300

f. For those who wish to contribute over & above the specified amount, may do so on an individual basis directly to the family.

g. Family for the purpose of this policy shall include spouse, dependent children, parents and any other dependent member.

h. It is strongly recommended that the final amount be paid to the concerned family member(s) within 30 days of death of the employee.

i. Also, suitable employment opportunity shall be explored for one dependent family member keeping Company requirement and educational background of such a family member in perspective.

Note:

- The Management of Group shall reserve the rights to alter, amend or keep in abeyance all or any of these rules at any point of time without being required to give any notice or reason.
- In case of any dispute/ difference or any point not covered under this policy, the decision of the management shall be final.

 SETCO AUTO SYSTEMS <i>Efficient Engineering</i>	Setco Auto Systems Private Limited			
	Title: Company Policy On Freedom Of Association & Right To Collective Bargaining			
SASPL/HR Manual/2024/00	Eff. Dt. 01.09.2021	Review dt.: 31.08.2025	Next Review dt :	Page 1 of 3

1. Policy Statement

Setco recognizes and respects the right of all employees to freedom of association and collective bargaining in accordance with applicable labour laws. Employees are free to organize, join, or refrain from joining trade unions or associations of their choice, without fear of discrimination, harassment, intimidation, or retaliation.

At present, no trade union exists within the organization. However, a Works Committee has been constituted to facilitate effective communication and resolution of employee concerns.

2. Scope

This policy is applicable to:

All permanent, temporary, contractual, and indirect workers

All locations and sites of Setco.

3. Freedom of Association & Collective Bargaining

- Employees are free to engage in collective bargaining and to form or join trade unions or associations of their choice, in accordance with the law of the land.
- The Company does not interfere with the establishment, functioning, or administration of any workers' organization or collective bargaining activities.
- Representatives of workers and individuals involved in organizing workers shall not be subjected to discrimination, harassment, intimidation, or retaliation due to their participation in union or collective activities.
- Suppliers, subcontractors, and sub-suppliers associated with the Company shall also not interfere with workers' freedom of association or collective bargaining.

4. Raising of Issues by Employees

Employees may raise concerns, grievances, or suggestions through the following channels:

4.1 Direct Communication

- Employees are encouraged to communicate issues directly to their immediate supervisor or any member of management.
- Issues will be examined and addressed based on their nature and urgency.
- If the employee is not satisfied with the resolution, the matter may be escalated to higher management levels.

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4.2 Through Non-Management Representatives

- Employees may raise issues through elected non-management (workers') representatives.
- Such representatives may discuss issues with management or its designated representative on behalf of employees.
- Minutes of meetings shall be recorded and all issues shall be documented in the complaint register.

5. Non-Management (Workers') Representatives

- One or more responsible employees shall be selected by workers as non-management / workers' representatives.
- Representatives are elected through a hand-raise voting method.
- These representatives act as a bridge between employees and management for raising and resolving issues.

6. Management Representative

- A management representative shall be nominated from among existing company personnel.
- The management representative is responsible for:
 - Coordinating communication between workers' representatives and management
 - Ensuring fair and timely resolution of issues
 - Preventing discrimination, bias, or unfair treatment of employees
 - Facilitating discussions with concerned personnel and senior management

7. Works Committee

A Works Committee has been formed in accordance with the provisions of the Industrial Disputes Act, 1947.

Any aggrieved employee may submit complaints or concerns through elected Works Committee representatives.

Minutes of Works Committee meetings shall be:

- Properly recorded
- Forwarded to senior management
- Used to ensure prompt and effective redressal of issues

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8. Grievance Handling Procedure

A formal grievance handling system is in place within the establishment.

The procedure and rules are:

- Displayed on the notice board
- Available with the HR Department

Employees may lodge grievances without fear, pressure, or undue influence.

All grievances will be handled fairly, confidentially, and within a reasonable timeframe.

9. Internal Communication

The Company provides adequate means for internal communication.

Communication among employees is not restricted or controlled in any manner, provided it complies with company policies and applicable laws.

10. Suggestion / Complaint Box

Suggestion and complaint boxes are placed at conspicuous locations within the premises.

Employees may submit written suggestions or complaints related to their terms of employment.

All submissions will be reviewed and addressed appropriately by management.

11. Unfair Labour Practices

No management personnel, employee, workman, or union shall engage in or support any unfair labour practices, as defined under applicable labour laws.

12. Records & Documentation

The following records shall be maintained:

- ✓ Complaints and suggestions received through suggestion boxes
- ✓ Minutes of meetings of the Works Committee
- ✓ Records of grievance handling proceedings

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	Title: Grievance Redressal Policy			
Policy No.: SASPL/HR Manual/2021/00	Eff. Date: 01.09.2021	Last Review Date:	Next Review Date:	Page No.: 1 of 6

1. Introduction

The purpose of this document is to formalize the management of grievances from our stakeholders to minimize the social risks to the business. The grievance process, outlined in this document, provides an avenue for stakeholders to voice their concerns and offers transparency on how grievances will be managed internally, which aims to reduce conflict and strengthen relationships between external stakeholders.

2. Scope

The grievance mechanism procedure applies to all external & internal stakeholders of our operations.

3. Definitions

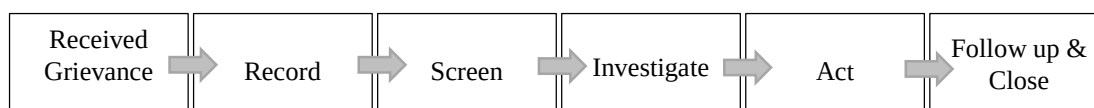
Term	Definition
Grievance	An issue, concern, problem, or claim (perceived or actual) that an individual or community group wants addressed by the company in a formal manner.
Grievance Handling Mechanism	A way to accept assesses and resolve community complaints concerning the performance or behaviour of the company, its contractors, or employees. This includes adverse economic, environmental and social impacts.
Internal Stakeholders	Groups or individuals within a business who work directly within the business, such as employees and contractors.
External Stakeholders	Groups or individuals outside a business who are not directly employed or contracted by the business but are affected in some way from the decisions of the business, such as customers, suppliers, community, NGOs and the government.

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4. Roles and Responsibilities

Role / Position Title	Responsibility
Grievance Committee (Team comprises of Function Heads of IR/HRM, Factory Manager)	1. Employee investigating the grievance and liaising with the external / internal stakeholder(s). 2. Developing resolutions and actions to rectify any issues. 3. Follow up and track progress of grievance.
Stakeholder Contact Officer (Admin &	1. Receive grievances and forward to Grievance Committee. 2. Makes sure the grievance mechanism procedure is being adhered to and followed correctly. 3. Maintains grievance register and monitor any correspondence. 4. Monitor grievances/trends over time and report findings to the Committee. 5. Document any interactions with external stakeholders.
Employees (Officers of CSR, IR, Admin & Environment)	1. Receive grievances in person. 2. Report grievance to the Stakeholder Contact Officer by lodging the Grievance Lodgement Form. 3. May provide information and assistance in developing a

5. Grievance Redressal Process:



- a. Receive Grievance:** The stakeholder contact officer / HRD receives all grievances that come through email. The stakeholder contact officer will review the grievance form and process the grievance in accordance to this procedure.

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b. Record : All formal grievances will be logged in the Grievance Register and Grievance Lodgement Forms will be saved in record of correspondence.

c. Screen

The stakeholder contact officer / HRD is responsible to liaise with the external / internal stakeholder/s and work on a resolution. Grievances will be screened depending on the level of severity in order to determine and how the grievance is approached. See below table categorizing the different levels:

Grievance Categorization and Ownership

Category	Description	Grievance Owner
Level 1	When an answer can be provided immediately and/or company is already working on a resolution (only formal Grievances to be lodged in the External Grievance Register).	FLO / Stakeholder Officer / HRD
Level 2	One off grievances that will not affect the reputation of Company.	Stakeholder Officer / HRD
Level 3	Repeated, extensive and serious grievances that may jeopardize the reputation of Company.	Grievance committee

d. Acknowledge

A grievance will be acknowledged, by the grievance owner, within five working days of a grievance being submitted. Communication will be made either verbally or in written form.

The acknowledgement of a grievance should include a summary of the grievance, method that will be taken to resolve the grievance and an estimated timeframe in which the grievance will be resolved. If required, the acknowledgment provides an opportunity to ask for any additional information or to clarify any issues.

e. Investigate

The Stakeholder Officer along with the employees is responsible for investigating the grievance. The investigation may require the team to make site visits, consult employees, contact external / Internal stakeholders and complete other activities. Records of meetings, discussions and activities all need to be recorded during the investigation.

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Information gathered during the investigation will be analysed and will assist in determining how the grievance is handled and what steps need to be taken in order to resolve the grievance.

f. Act

Following the investigation, the Stakeholder Officer will use the findings to create an action plan outlining steps to be taken in order to resolve the grievance. The Stakeholder officer is responsible for assigning actions, monitoring actions undertaken and making sure deadlines are adhered to.

Once all actions have been completed and the team feels the grievance has been resolved, they will then formally advise the external stakeholder via their preferred method of contact.

g. Follow up and close out

The Stakeholder officer will make contact with the external / internal stakeholder/s three weeks after the grievance is resolved. When contacting the external / internal stakeholder/s, the stakeholder officer will verify that the outcome was satisfied and also gather any feedback on the grievance process.

6. Appeal

If the external / internal stakeholder is unhappy with the resolution and/or does not agree with the proposed actions, then the Stakeholder Officer needs to escalate the matter to the Grievance Committee. The committee will review the grievance and all documentation gathered throughout the investigation and determines whether further actions are required to resolve the grievance.

Company is fully committed to resolving an external / internal stakeholder's grievance so if Company is unable to resolve a complaint or a stakeholder is unhappy with the outcome, Company may seek advice from other independent parties.

7. Storing of Grievances

All records, including grievance forms, investigation notes, interviews and minutes of meetings will be securely filed with confidentiality for all parties involved.

 SETCO AUTO SYSTEMS Efficient Engineering	Setco Auto Systems Private Limited
	Title: Grievance Redressal Policy Annexure A – Grievance Lodgement Form

Annexure A – Grievance Lodgement Form

Name:	
Company (if applicable):	
Date:	Time:
Preferred Contact Method:	Please provide contact details:
Telephone / Email / Correspondence	_____
Supporting Documents Attached?	Yes ☐ No ☐ (Tick Mark)
Please provide details of your grievance:	
What outcome are you seeking?	
Additional Information:	

For Office Use Only

Stakeholder's Reference	
NGO	Government – State or Local
Government – State or Local	Contractor
Neighbour communities	Consultant
Political Party/Person	
Other:	
Comment:	
Claimant Signature:	Company Signature:
Date:.....	Date:.....

 SETCO AUTO SYSTEMS <i>Efficient Engineering</i>	Setco Auto Systems Private Limited
	Title: Grievance Redressal Policy Annexure B – Grievance Register

Annexure B – Grievance Register

Stakeholder Type	Date Received	Stakeholder / Contact Officer	Grievance Level (1, 2, 3)	Grievance Description	Cause of Grievance	Resolution Outcome	Status (Accepted / Not Accepted)	Remarks / Follow-up
External / Internal	DD/MM/YYYY	Name & Designation	[See Note]	Brief summary of the issue	Root cause analysis	Action taken to resolve	Accepted / Not Accepted	Additional notes

Notes: (Explanation for Level of Grievance)

Level 1 : When an answer can be provided immediately and/or company is already working on a resolution (only formal Grievances to be lodged in the External Grievance Register), Owned by FLO / Stakeholder Officer / HRD

Level 2: One off grievances that will not affect the reputation of Company, Owned by Stakeholder Officer / HRD

Level 3: Repeated, extensive and serious grievances that may jeopardize the reputation of Company, Owned by Grievance committee.

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Objective:

The objective of this policy is to ensure the protection and promotion of fundamental human rights and fair working conditions across all levels of the organization. This policy aims to foster a workplace environment that upholds dignity, respect, equality, and safety for all employees. It also seeks to ensure compliance with applicable **Indian labour laws** and international human rights standards, prevent exploitation or abuse, and promote ethical labour practices, including child protection, fair wages, decent working hours, and the prohibition of forced or compulsory labour.

Specifically, the policy aims to:

1. Establish clear guidelines to prevent child labour, modern slavery, and any form of labour exploitation.
2. Promote fair treatment, diversity, equity, and inclusion within the organization.
3. Ensure that all employees are compensated fairly and work in safe, non-discriminatory conditions.
4. Protect the rights of women, minorities, and indigenous peoples, ensuring equal opportunities and addressing specific needs.
5. Encourage freedom of association, collective bargaining, and a workplace free from discrimination and harassment.
6. Ensure that all recruitment practices are ethical, transparent, and respect individual rights.
7. Promote responsible and respectful use of land, water, and security forces in the organisation's operations.

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Scope

This policy applies to all employees, contractors, suppliers, and business partners associated with the organization, regardless of their location, employment type (full-time, part-time, temporary, or contractual), or position. It also covers all operational activities of the organisation, including its supply chain, recruitment practices, and interactions with local communities.

It includes:

1. **Employees:** All workers across departments, including permanent, contract, and temporary employees.
2. **Contract Workers:** Those employed under fixed-term contracts or as outsourced labour are covered under ethical labour practices outlined in this policy.
3. **Suppliers & Vendors:** Business partners must comply with this policy's guidelines on human rights, working conditions, and responsible resource usage.
4. **Recruitment Processes:** All hiring and labour acquisition practices, whether directly by the organisation or through third-party agencies.
5. **Security Personnel:** Private or public security forces involved in safeguarding organisation assets must follow the human rights principles in this policy.
6. **Local Communities:** The policy covers the rights of local and indigenous populations impacted by the organisation's operations, particularly in areas concerning land, forest, and water rights.

The policy is applicable in all operational locations of the organisation and ensures that all business operations, adhere to these standards of human rights and working conditions.

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Policy:

1. Child Labour and Young Workers

- The organisation strictly **prohibits** the employment of children under the legal minimum working age as per local and international laws, including the International Labour Organization (ILO) standards. No person below the age of 18 shall be employed.

(See more in Policy on Prohibition of Child Labour at the Workplace)

- Young workers will be employed only in non-hazardous tasks and in compliance with all relevant regulations concerning working hours and working conditions appropriate for their age group. The organisation ensures that their safety, well-being, and development are protected.

2. Wages and Benefits

- Fair Wages:** The organisation commits to paying wages that meet or exceed local minimum wage requirements, ensuring that employees receive fair and adequate compensation for their work.
- Benefits and Compensation:** In addition to wages, employees are entitled to benefits as per local labour laws and organisation policies, including but not limited to health insurance, social security, paid leaves, and retirement benefits.
- Equal Pay for Equal Work:** All employees, regardless of gender, race, caste religion, sexual orientation or background, will receive equal pay for equal work.

3. Working Hours

Legal Compliance with Working Hours: The organisation ensures that working hours, including overtime, comply with national laws and international standards. Overtime work will always be voluntary and compensated appropriately. *(See more in Attendance policy which regulates working hours & overtime for all .)*

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- **Rest and Time Off:** Employees are entitled to breaks during work, daily rest periods, and weekly off days as prescribed by laws. The organisation also provides paid holidays and leaves in accordance with statutory regulations.

(See more in Attendance policy & Leave policy which regulated working hours & leaves for all respectively.)

4. Modern Slavery (Slavery, Servitude, Forced Labour, and Human Trafficking)

- **Zero Tolerance for Forced Labour:** The organisation prohibits all forms of forced, bonded, or involuntary labour. Employees have the right to freely choose their employment and are not required to surrender passports, government-issued IDs, or work permits as a condition of employment.
- **Human Trafficking Prevention:** The organisation takes all necessary steps to ensure that no part of its operations or supply chain is involved in human trafficking.

5. Ethical Recruiting, Diversity, Equity, and Inclusion

- **Ethical Recruitment Practices:** The organisation ensures that recruitment processes are free of coercion, deception, and undue pressure. Employees are hired based on merit, and recruitment fees or expenses are never charged to workers.
- **Diversity and Inclusion:** The organisation fosters an inclusive work environment where all employees are respected and valued. Diversity in terms of gender, race, caste, ethnicity, religion, age and sexual orientation is actively promoted at all levels.
- **Equity in Opportunities:** Equal opportunity is provided in hiring, training, promotion, and other employment decisions. The organisation works to remove any structural barriers to equitable participation.

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6. Freedom of Association and Collective Bargaining

- **Right to Organize:** All employees have the right to freely form and join trade unions or other organizations of their choosing, without fear of retaliation or discrimination.
- **Collective Bargaining:** The organisation recognizes the right of employees to engage in collective bargaining and will engage in good faith with employee representatives on matters of mutual concern. *(See more in Company Policy on Freedom of Association & Right To Collective Bargaining)*

7. Non-Discrimination and Harassment

- **Prohibition of Discrimination:** The organisation upholds a strict policy of non-discrimination in all areas of employment. No person will be discriminated against based on race, colour, sex, religion, caste, national origin, disability, or any other characteristic protected by law.
- **Zero Tolerance for Harassment:** All forms of harassment, including sexual harassment, bullying, and intimidation, are strictly prohibited. The organisation is committed to providing a safe and respectful workplace for all employees.

8. Women's Rights

- **Equal Opportunities for Women:** The organisation ensures equal treatment of women in the workplace, including equal opportunities for recruitment, training, development, and promotion.
- **Support for Women's Health and Safety:** Special attention is given to women's health, safety, and well-being. Pregnant women will not be assigned to hazardous duties, and maternity leave will be granted in accordance with the law.
- **Protection Against Gender-based Violence:** The organisation enforces a zero-tolerance policy for gender-based violence and harassment. *(See more in the policy of prevention of sexual harassment)*

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9. Rights of Minorities and Indigenous Peoples

- **Respect for Cultural Rights:** The organisation respects the rights, traditions, and cultures of minorities and indigenous peoples, ensuring that their cultural heritage is preserved and their specific needs are recognized.
- **Non-Discrimination:** The organisation prohibits any form of discrimination against minorities or indigenous peoples and ensures their full participation in employment opportunities.

10. Land, Forest, and Water Rights and Forced Eviction

- **Respect for Land and Resource Rights:** The organisation recognizes and respects the land, forest, and water rights of local and indigenous communities. We adhere to responsible environmental stewardship practices.
- **Opposition to Forced Eviction:** The organisation does not participate in or condone forced evictions of communities from their lands. Any land acquisitions will follow transparent and legal processes, ensuring consent from the rightful owners.

11. Use of Private or Public Security Forces

- **Ethical Use of Security Forces:** The organisation ensures that any private or public security forces employed to protect organisation assets operate with respect for human rights and are trained to avoid the use of excessive force.
- **Accountability and Oversight:** All security forces will be held accountable for any violations of human rights, and ensuring grievance mechanisms in place for employees and community members to report any abuses.

(See more in 1. Code of Business Conduct 2. Grievance Redressal Policy 3. Whistle-blower Policy)

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This policy is designed to reflect the organization's commitment to ethical and responsible business practices, ensuring respect for human rights and dignity across all areas of operation. The organization will regularly review and update this policy to ensure ongoing compliance with evolving legal and societal standards.

This policy integrates existing compliance with Indian Labour Laws while aligning with broader human rights standards to ensure ethical and responsible labour practices. Regular audits will be conducted to ensure continuous compliance with both Indian legislation and international standards.

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	Title: Policy on Prohibition of Child Labour at the Workplace			
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VISION /COMMITMENT:

Our Company is committed to ensure that our society remains free from any kind of abuse and crime towards childhood with the vision eradicating child labour completely from our society as well as the industry.

The company will not tolerate any form of “Child Labour” under any circumstances and is committed to take all necessary steps to ensure that no such activity is observed in our premises.

SCOPE:

This policy applies to all categories of employees of the Company, including management and workmen, apprentices and employees on contract at our workplace, premises and precincts.

DEFINITION:

Child labour is the practice of having children engaged in an economic activity, on part- or full-time basis. As per law, children under the age of 18 years should not be engaged in any such kind of employment activities in a factory.

POLICY:

1. A signage is placed on the entrance of all manufacturing unit that that “Child Labour is prohibited.”
2. Without proper age records, the candidate will not be allowed to work in the premises. The documentation considered necessary for verification of age of an employee shall include any of the following: a valid Certificate of Birth issued by Registrar of Birth and Death, Matriculation Certificate issued by CBSE or State Board Education, Voter Card, Driving License, School Leaving Certificate and Aadhar Card.
3. Any contract employees engaged through contractors and working in our factory Shall also be above the age of 18 years.
4. Proper verification of age records to be done by the factory HR to authenticate the records provided.
5. The age record should be placed in the personal file of the concern employee for further verification.
6. No lady /adolescent / young worker shall be employed in processes that are declared as dangerous or hazardous in operation.
7. No apprentice program will be operated for the age group of below 18 years.

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	Title: Stakeholder Engagement Policy			
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Setco Group recognizes that effective stakeholder engagement is an essential component of our business operation to be undertaken at business and site level. It is an important mechanism to understand stakeholders and their needs, involve them in managing risks and resolving conflicts at an early stage, thus ensuring a long term ‘social license to operate’ for a business. Further, engaging with globally recognised subject matter experts on global megatrends and external factors with a potential to materially affect the sustainability of our businesses is an increasing requirement for effective business leaders.

Every Setco Group Company endeavours to achieve this by:

1. Maintaining positive legal compliance to applicable stakeholder engagement and disclosure regulations and conforming with the requirements of the Setco Group Sustainability Framework;
2. Ascertaining the nature of impacts on stakeholders, their legitimate concerns, interests and expectations as well as their potential influence on the Setco Group analyzing the implications of those factors on business operations;
3. Embedding the principles of inclusiveness, transparency, materiality, completeness and cultural appropriateness in all our engagement activities;
4. Seeking to disclose information about the company’s activities in a timely and culturally appropriate manner to allow for informed and meaningful engagement;
5. Resolving stakeholder grievances in a timely and culturally appropriate manner;
6. Establishing clear accountability by assigning adequate resources and responsibilities for effective stakeholder engagement;
7. Designing appropriate engagement methods and plans that meet international standards, are tailored to the stakeholders’ needs and have well-defined objectives and outcomes that can be documented and monitored;
8. Promoting awareness of the principles and procedures for stakeholder engagement with employees at various levels of our operations through training and communication;
9. Undertaking engagement in a non-discriminatory and interactive manner that encourages stakeholders to provide feedback and engage positively with the business operations;
10. Continually improving stakeholder engagement performance by sharing good practices and learnings from the engagement process, setting and reviewing targets and monitoring, reporting and disclosing performance; and
11. Seeking to learn from globally recognized and accepted subject matter experts in order to strengthen the input data for our future proofing processes.
12. Each Setco Group Company shall sign up to this policy or develop an equivalent that shall be implemented throughout its operations.
13. This policy shall be reviewed periodically for its suitability and updated as necessary.

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	Title: Whistle-Blower Policy			
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1. Preface

The Company believes in the conduct of affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The company is committed to develop a culture where it is safe for all employees and external stakeholders to raise concerns about any poor or unacceptable practice and any event of misconduct.

Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) 2014 and revised clause 49 of the Listing Agreement, inter-alia, provides a mandatory requirement, for all listed companies to establish a mechanism called “Vigil Mechanism (Whistle- Blower Policy)” for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct or ethics policy.

The purpose of this policy is to provide a framework to promote responsible and secure whistleblowing. It protects directors, employees and external stakeholders wishing to raise a concern about serious irregularities within the company.

The policy neither releases the directors, employees or other external stakeholders from their duty of confidentiality in the course of their work nor is it a route for taking up a grievance about a personal situation.

2. Scope

- 2.1. The whistle-blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- 2.2. Whistle-blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee.



Protected Disclosures shall be appropriately dealt with by the Chairman of the Audit Committee.

3. Objective

- 3.1. To provide a framework to report genuine concerns and promote responsible whistleblowing concerning malpractices or events covered in this Policy.
- 3.2. To lay down a standard policy governing the procedure to be followed for reporting and dealing with violation.

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4. Definitions

- 4.1. Employee for the limited purpose of this Policy means every employee of the Company (irrespective of the location), including executive and non-executive Directors.
- 4.2. Protected Disclosure means a concern/ violation raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 4.3. **Whistle-blower** is someone who makes a Protected Disclosure under this policy. The Whistle- blower's role is that of a reporting party with reliable information.
- 4.4. **Good faith:** An employee shall be deemed to be communicating in 'good faith' if there is reasonable basis for raised concern and he/ she is not abusing the policy as a route for raising malicious or unfounded allegations against colleagues.
- 4.5. **Subject** means a person against/ in relation to whom a Protected Disclosure is made, or evidence has been gathered during the course of an investigation.
- 4.6. **Board** means the Board of Directors of the Company.
- 4.7. **Ombudsperson** will be the Head – HR and Company Secretary, who shall be the first recipient of all complaints under this policy and shall be responsible for ensuring appropriate action. The Board shall appoint the Ombudspersons and may change him/her from time to time.
- 4.8. **Audit Committee** of the Company is a committee of the Board of Directors of the Company (constituted in accordance with the Listing Agreement with Stock Exchange(s) & the Companies Act, 2013 or any statutory modification(s) or amendment(s) thereto for the time being in force).
- 4.9. **Disciplinary Action** means any action that can be taken on the completion of /during the investigation proceedings- including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 4.10. **Senior Management** shall mean and include Chief Managing Director, Vice-Chairman, Chief Financial Officer, Chief Operating Officer and Chief Executive Officer.

5. General

- 5.1. Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:
 - Employees of the Company.
 - Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location.
 - External stakeholders including *inter alia*, vendors, suppliers, distributors or any other third- party business partners who have been authorized to act for or on behalf of the Company.

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5.2. The policy **covers malpractices and events** which have taken place/ suspected to take place involving, but not limited to:

- Abuse of authority.
- Breach of contract.
- Negligence causing substantial and specific danger to public health and safety.
- Manipulation of company data/records.
- Financial irregularities, including fraud or suspected fraud or deficiencies in internal control and check or deliberate error in preparations of financial statements or misrepresentation of
- financial reports.
- Any unlawful act whether criminal/ civil.
- Pilferage of confidential/propriety information.
- Deliberate violation of law/regulation.
- Wastage/misappropriation of company funds/assets.
- Breach of Setco Code of Business Conduct or other policy of the Company or failure to implement or comply with any approved Company policy.
- Any other unethical, biased, favoured or imprudent event.

6. Procedure

- 6.1. The whistle-blower shall make a Protected Disclosure to the Ombudsperson, in writing, within a reasonable time (not exceeding 30 days) after becoming aware of the malpractice. The contact details are as under:
HR – Head / Company Secretary and Compliance Officer.
- 6.2. It is recommended that the Protected Disclosure is forwarded under a covering letter bearing the whistle-blower's name, employee code (if an employee of the Company), address and contact details, since investigation may be difficult unless the source of the information is identified/ verified. However, concerns expressed anonymously will also be ordinarily entertained and will be appropriately investigated.

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- 6.3. The Protected Disclosure shall include a brief description of the malpractice, giving the names of those allegedly involved in the malpractice with specific details such time, date, place of occurrence etc.
- 6.4. In situation wherein the Ombudsperson(s) may be involved in the malpractice, the Protected Disclosure may be submitted to the CMD or the Chairperson of the Audit Committee directly.
- 6.5. On receipt of such Protected Disclosure, the Ombudsperson shall acknowledge the same, in writing, within 7 working days.
- 6.6. The Ombudsperson, then shall discuss the Disclosure with the Senior Management to determine the gravity of the issue (assuming the allegations to be true only for the purpose of this determination).
- 6.7. Ombudsperson shall not disclose the name of the Whistle-blower neither to the Audit Committee nor the Senior Management, to the extent possible.
- 6.8. If the initial discussions indicate that the concern has no basis, it may be dismissed at this stage – however, the decision shall be documented by the Ombudsperson. This finding shall be communicated to the whistle-blower in writing.
- 6.9. If the initial discussions indicate that further investigation is necessary, the Ombudsperson shall forward the Protected Disclosure (after detaching the covering letter) to the Audit Committee. This shall not be beyond 10 days of receipt of the concern.
- 6.10. Subjects will normally be informed, in writing, of the allegations at the outset of a formal investigation.
- 6.11. The Ombudsperson and the Audit Committee shall jointly ensure that the investigation is conducted in a fair and unbiased manner – as a neutral fact- finding without presumption of guilt.
- 6.12. It shall be the Audit Committee's responsibility to maintain a detailed documentation of the entire investigation and the recommendations thereof.
- 6.13. During the investigations, the Audit Committee may call for further information or particulars from the Whistle-blower or Subject or any other person.
- 6.14. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report.
- 6.15. The investigation shall be completed generally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit and as applicable. Upon completion of the investigation, the Audit Committee shall take following action, but not limited to, against the Subject as specified below:
 - In case the Protected Disclosure is not proved, the Audit Committee may extinguish the matter.
 - In case the Protected Disclosure is proved, the Audit Committee may order Disciplinary Action against the Subject in accordance with the *Manual on Disciplinary Actions*.
 - If the Malpractice constitutes a criminal offence, the Audit Committee will bring it to the notice of the Board of Directors and may take appropriate action including reporting the matter to the police.

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- 6.16. Ombudsperson shall inform the Subject, in writing, of the outcome of the investigation process.
- 6.17. Ombudsperson may inform the Whistle-blower, in writing, of the outcome of the investigation process, unless deemed inappropriate/ or subject to any obligations of confidentiality.
- 6.18. In exceptional cases, where the whistle-blower is not satisfied with the outcome of the investigation, he/ she may make a direct appeal to the Chairman of the Audit Committee or to the CMD.
- 6.19. A Whistle-blower who makes false allegations of unethical & improper practices or about wrongful conduct of the Subject shall be subject to appropriate Disciplinary Action in accordance with the Manual on Disciplinary Actions.

7. Responsibilities of the Company: The Company shall make every effort to ensure that:

- The concern/ issue raised by the Whistle-blower shall be acted upon seriously.
- There is no retaliation against the Whistle-blower, and he/she is not victimized.
- Complete confidentiality is maintained.
- No attempt to conceal/ destroy the evidence is made.
- An opportunity of being heard is provided to all the persons involved – especially to the Subject.
- Disciplinary Action is implemented as recommended by the Audit Committee.

8. Confidentiality

8.1. The Whistle-blower, the Subject, the Ombudsperson and everyone involved in the process shall:

- Maintain utmost confidentiality/ secrecy of the matter.
- Not discuss the matter in any informal/ social gatherings.
- Not keep the pertinent documents unattended anywhere.
- Keep the electronic mails/ files under password.

8.2. In event of non-compliance, he/ she shall be liable for such Disciplinary Action as deemed fit.

9. Others

- 9.1. The Company shall protect the Whistle-blower from any kind of harassment, retaliation, reprisal, victimization or any other unfair treatment by virtue of his/her having reported a Protected Disclosure under this policy. Any other employee/ business associate assisting in the said investigation shall also be protected to the same extent as the Whistle-blower.
- 9.2. However, this protection shall not extend to immunity for involvement in the matters that are subject to the allegations and investigation. This policy does not protect an Employee or stakeholder from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this Policy.
- 9.3. If any retaliatory action or threats are faced by the Whistle-blower or any other employee assisting the

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investigations, he/ she may inform the Ombudsperson in writing immediately. Any person found to be engaging in such retaliatory practices shall be subjected to Disciplinary Action, up to and including termination of employment.

- 9.4. Whistle-blower who makes any Protected Disclosure, which is subsequently found to be *mala fide* or frivolous, may face Disciplinary Action.
- 9.5. A quarterly report with number of complaints received under the Policy and their findings and the corrective actions taken shall be placed before the Audit Committee and the Board.
- 9.6. Access to the reports and records associated with the Protected Disclosures shall be restricted to the Ombudsperson and the Audit Committee only.
- 9.7. Any information or document pertinent to the Protected Disclosures will not be disclosed to the public unless required by any legal regulations.
- 9.8. All the Protected Disclosures along with the results of the investigation relating thereto shall be retained by the Company for a minimum period of 8 years.

10. Miscellaneous:

- 10.1. The Management of Setco Auto Systems Private Limited shall reserve the rights to alter, amend or keep in abeyance all or any of these rules at any point of time without being required to give any notice or reason.
- 10.2. In case of any dispute/ difference or any point not covered under this policy, the decision of the Management of the Company shall be final and binding on all concerned.

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