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DEEPAK NITRITE RESPONSIBLE CHEMISTRY

Labour Relations Policy

The management of Deepak Nitrite Limited (DNL) believes in dealing with the labour in a just, fair, and ethical manner and treats all employees as human beings in all its dealings arising out of the employment relationship.

The company has both on-roll and off-roll employees working at its manufacturing plants as well as the offices. While dealing with the on-roll employees the company management has a mechanism to deal with the employees directly for matters connected with employment or non-employment or the terms of employment or with conditions of labour of any person. Whereas, while dealing with the off-roll employees the company has a mechanism through which the company deals with the matters affecting the employment or non-employment or the terms of employment or with conditions of labour of any person.

As far as on-roll employees are concerned, there are 2 major categories of employees as stated below:

a. The management staff employees
b. Non-management staff employees (Bargainable Cadre Employees)

1. Disciplinary process:

a. On-roll employees

I. Management Staff employees

The employee relations and matters of discipline in respect of the management staff employees are governed by a committee consisting of the Employee Relations Head, the Unit Head and respective Strategic Business Unit (SBU) Head. Any matter affecting the discipline is thoroughly investigated by giving a just, fair and proper opportunity to the person against whom such disciplinary process is initiated and the issue gets concluded following the process of natural justice and only thereafter if any action is required to be taken is initiated.

II. Non-management staff employees (Bargainable Cadre Employees)

The employee relations and matters of discipline in respect of the non-management staff (Bargainable Cadre Employees) are governed by a statute, namely, the Industrial Employment (Standing Orders) Act 1946. Whenever employee from this category is involved in any misconduct or indiscipline stated in rule 24, the workmen guilty of such misconduct or indiscipline may be punished as per the rule 25 stated in the applicable rules.

The company always follows the procedure stated by the Industrial Employment (Standing Orders) Act 1946 and accordingly informs in writing to the workmen concerned of the alleged misconduct and giving an opportunity to explain the circumstances alleged against the workman and no dismissal order shall be made except after holding an inquiry against the workman concerned in respect of the alleged misconduct.

b. Off-roll employees

Whenever any off-roll employee is involved in any misconduct or indiscipline the company management ensures a just & fair opportunity is given to such an employee. However, since the off-roll employee is employed by a contractor, the company management ensures that the process laid down as above is followed by the contractor.

2. Compensation

a. On-roll employees

I. Management Staff employees

For the management staff employee's annual performance management system is in operation and depending upon the individual and company's performance the salaries of employees get revised annually. While conducting the annual PMS exercise various factors such as qualification, experience, performance etc. are looked into and the employees are rewarded accordingly. It is ensured that the element of subjectivity and bias is eliminated in the whole process.

II. Non-management staff employees (Bargainable Cadre Employees)

Usually, the non-management staff employees (Bargainable Cadre Employees) are represented by their unions. Accordingly, wage negotiations are carried out upon the completion of wage settlement. While striking the agreement, various factors such as the company's performance, industry-cum-region salary structures prevailing in the nearby industries are considered.
At each factory represented by the union, separate negotiated settlements are signed following a process of collective bargaining. The company management follows a fair and transparent process while entering into the settlement.

Usually, the collective bargaining process happens in a peaceful & amicable manner. However, if the union tries to be unreasonable and shows adamancy the company management makes all the efforts to educate and create awareness amongst the non-management staff employees (Bargainable Cadre Employees) and finally a fair wage agreement is signed.

During the process of collective bargaining both the union and the management resort to an open dialogue and usually do not try to use intermediary tactics like strike (by union) and adoption of unfair labour practices (by the company) and usually any areas of disagreement are resolved with a fair & just dialogue between the union & the management.

b. Off-roll employees

As far as off-roll employees are concerned their wage structure depends upon the experience, qualification & their skill levels. As far as blue collar off-roll employees are concerned, the company believes in being compliant with the applicable labour laws & hence ensures that contractors pay minimum wages, provide social security benefits under applicable labour laws like the Employees Provident Funds & Miscellaneous Provisions Act, Employees State Insurance Act, Payment of Bonus Act, Payment of Gratuity Act and Other applicable acts.
As far as qualified white-collar employees are concerned, the company ensures that the contractor pays living wage commensurate with the experience, qualifications of such employees so as to ensure that there is no discrimination between the salary structures of on-roll & off-roll employees.

Depending upon the changes in the industry and circumstances this policy may be amended from time to time but the policy will continue to be governed by the principles of fairness, equality, equity & ethics.

President – Human Resource
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