

HEERACHAND GEMS PVT. LTD.

HRM POLICY MANUAL

2025

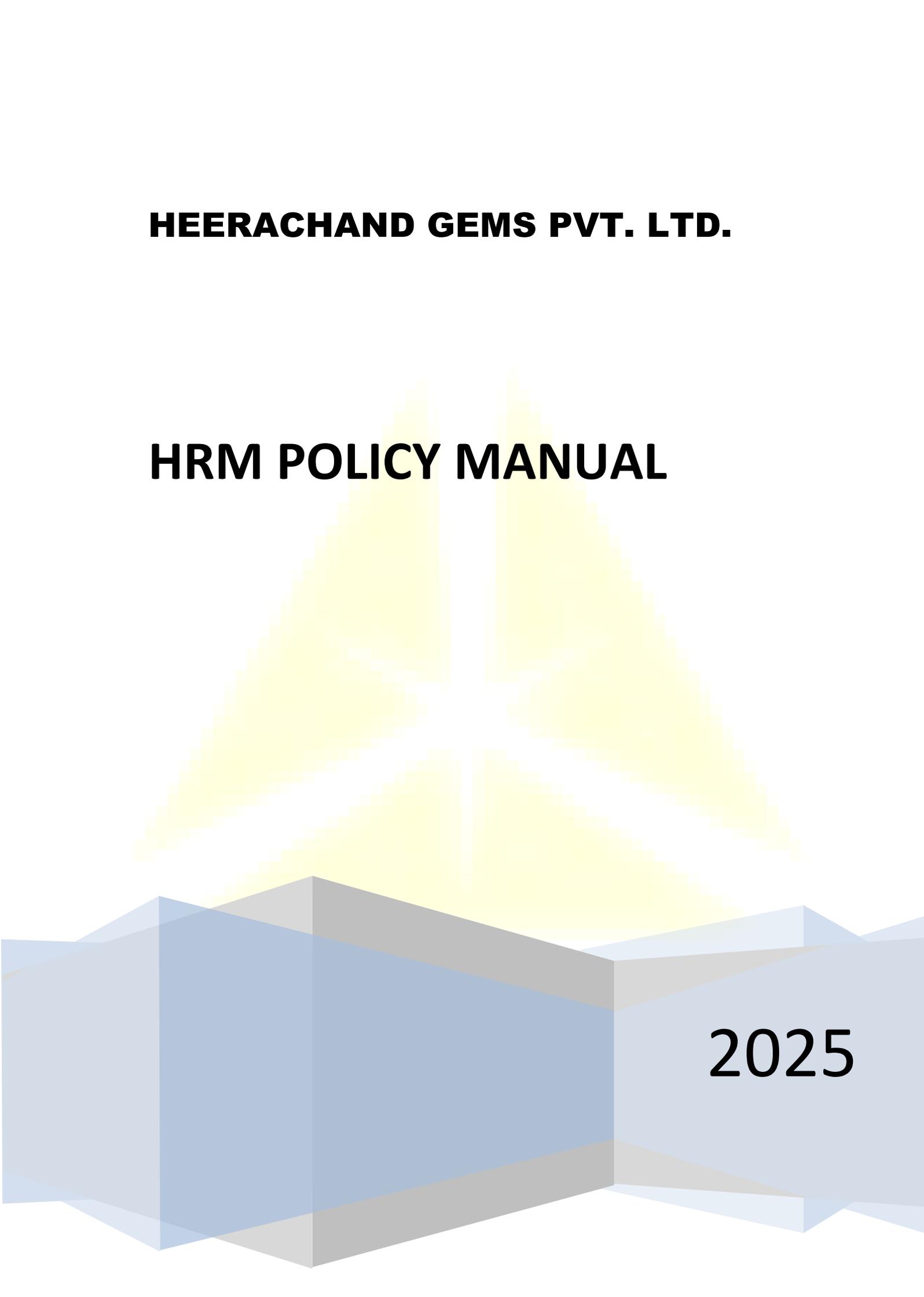
The background features a large, faint yellow diamond shape in the center. At the bottom, there are several overlapping, semi-transparent blue and grey geometric shapes that resemble facets of a gemstone or a modern architectural design.

TABLE OF CONTENTS

1		Company Overview	4
2		Policy Procedures and Manual	4
3		Administrative Policies	5
	3.1	Personal Records	5
4		Equal Employment Opportunity	5
	4.1	Open Door Policy	5
	4.2	Diversity, Equity and Inclusivity	5
5		Work Harassment	5
	5.1	Harassment at Workplace	5
	5.2	Anti-Sexual Harassment of Women at Workplace	7
6		Grievances	9
7		Human Rights	10
	7.1	Discrimination	10
	7.2	Freedom of Association and Collective Bargaining	10
	7.3	Child Labour and Preventing Forced Labour	10
	7.4	Anti-Bribery and Facilitation Payments	11
	7.5	Anti-Money Laundering and Counter Terror Financing	11
	7.6	Kimberley Process	11
8		Product Disclosure	12

9		Know your Counterparty	13
10		Security	13
	10.1	Employee/Visitors Security	13
	10.2	Security Threat to Business	14
	10.3	Product Security	14
	10.4	Technical and Electronic Security	14
	10.5	Information Security	14
11		Risk Assessment Policies	15
	11.1	Supply Chain & Ethical Sourcing Policy	15
12		Performance Management Systems	15
	12.1	Introduction	15
	12.2	Performance Appraisals	16
13		Salary Disbursement	16
	13.1	Yearly Bonus	16
	13.2	Graitiuty	17
14		Leave Policies	18
	14.1	Maternity Leave	18
15		Health & Safety Policy	18
16		Environment Management	18
17		Wastes and Emissions	19
18		Privacy	19

1. COMPANY PROFILE



How did the journey start-?

Heerachand Gems Pvt Ltd is an exporter of diamonds.

Founded in the year 1989 by director Rajiv Dhandia as RR Exports, the company assumed the name Heerachand Gems after being incorporated as a Private Limited Company.

We believe our strength is in –

- **Premium standards of quality**
- **Client centric approach**
- **Cost effectiveness**
- **Collegiality & teamwork**

Our employees have contributed significantly to the growth of the company and we truly value them for it. Hence, this HRM policy manual is established to ensure the effective management of all our employees in a structured and professional manner.

2. POLICY & PROCEDURES MANUAL



Heerachand Gems Pvt. Ltd Human Resources Policy and Procedures Manual have been developed to facilitate the implementation and clearly define the Company's policies on Human Resource Management.

The Manual provides guidelines to be followed in the administration of these policies, and assists all employees in defining who is responsible for each human resource management decision, and the correct procedure which is to be followed.

The policies specified within are consistent with those of best practice management principles. They have the full support and commitment of management.

HR policies must be kept current and relevant. Therefore, from time to time it will be necessarily modified and some sections of the policies and procedures might be amended or new procedures to be added.

Any suggestions, recommendations or feedback on the policies and procedures specified in this manual are welcome. This should be provided by email/verbal.

3. ADMINISTRATIVE POLICIES



3.1 Personnel Records

Basic information of staff will be collected and maintained by the HR Department in separate staff personal files.

Following documents will need to be maintained in personal files of each staff.

- Application form for appointment filled by the concerned staff.
- Attested true copies of Certificates of Academic Qualification
- Copy of proof of date of birth

Subsequently the following will be added to the employee personal file

- Copy of Appointment Letter duly accepted by the employee.
- Performance appraisal records
- Increment Letters
- Personal data update form (to be filled by the concerned staff as and when changes occur in his/her personal data)

4. EQUAL EMPLOYMENT OPPORTUNITY



4.1 Open Door Policy:

Heerachand Gems Pvt. Ltd / HG Gems LLP, values the talents and abilities of our employees and seeks to foster an open, co-operative and dynamic environment in which employment in which employees and the Company alike can thrive. The Company provides an Open Door Policy in which employees are allowed to take their problems to the next level of management if they are unable to resolve a situation with their direct supervisor.

4.2 Diversity, Equity and Inclusivity

Heerchand Gems provides equal employment opportunity to all qualified persons without discrimination on the basis of age, sex, race, disability, marital status or religion in accordance with applicable local, state and national laws and regulations.

All employment and promotion decisions will be based solely upon individuals' qualifications, experience, prior contribution and demonstrated capacity to perform at higher or improved levels of performance and will be in accordance with the principle of equal employment opportunity.

Heerachand Gems shall establish and maintain:

- a. A publicly available documented policy endorsed by top management with commitments that promote worker diversity, equity and inclusivity at all levels of the organisation and across functions including (but not limited to) recruitment, professional development and mobility, and equitable employment conditions.
- b. Supporting processes and procedures with measures to support the policy implementation.

Heerachand Gems will provide training to its workers that promotes a culture of diversity, equity and inclusivity; the policy commitments; and the supporting systems and procedures. We shall review the effectiveness of the diversity, equity and inclusivity policy, processes and procedures, at a frequency appropriate to the purpose, nature, scale and impact of its business operations.

5. WORK HARASSMENT



5.1 Harassment at Workplace

Policy Statement

Heerachand Gems is committed to ensure that all employees are treated fairly and equitably in an environment free of intimidation and harassment. All complaints of work harassment will be treated seriously and promptly, with due regard to confidentiality. Disciplinary action will be taken against any employee who breaches the policy.

Heerachand Gems encourages any employee who feels they have been harassed to contact the **Human Resource Department** or to **the Management (if required)**. The company aims to provide a working environment which is free of workplace harassment or intimidation.

Appropriate disciplinary action will be taken against anyone in this company's employment who is found to have harassed a co-worker. Depending on the severity of the case, consequences can include an apology, counselling, dismissal, demotion or other forms of disciplinary action. Immediate disciplinary action will also be taken

against anyone who victimizes or retaliates against a person who has complained of sexual harassment.

The Company has a legal responsibility to prevent such harassment.

Process

If the complaint is found to be justified, the complainant may be entitled to any or all of the following:

The complainant may receive:

- Commitment the behaviour will cease.
- Private apology (verbal or written).
- Other compensation as deemed appropriate by the management.

5.2 ANTI SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The provisions of the Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013 have come into force on 9th December 2013, Highlights of the same are reproduced in the Company's Policy for ready reference. The Act and the Rules may be referred to for strict compliance for various provisions:

Sexual harassment includes any one of the following unwelcome acts of behaviour

- i) physical contact and advances; or
- ii) ii. a demand or request for sexual favours; or
- iii) iii. making sexually coloured remarks; or
- iv) iv. showing pornography; or
- v) v. any other unwelcome physical, verbal or non-verbal conduct of sexual Nature;

The following circumstances, may also amount to sexual harassment –

- i. implied or explicit promise of preferential treatment in her employment: or
- ii. implied or explicit threat of detrimental treatment in her employment; or
- iii) implied or explicit threat about her present or future employment status: or
- iv) interference with her work or creating an intimidating or offensive or hostile

v) work environment for her; or

vi) humiliating treatment likely to affect her health or safety.

Constitution of Internal Complaints Committee (ICC):

- 1) Heerachand Gems Pt. Ltd/ HG Gems LLP shall by an order in writing constitute a committee to be known as the Internal Complaints Committee.

The internal committee shall consist of the following members:

- i) A presiding officer who shall be a women employed at a senior level at the workplace from amongst the employees
 - ii) Not less than 2 members from amongst employees preferably committed to the cause of women or who have had experience in social work or legal knowledge
 - iii) 1 member from amongst Non-governmental organizations and associations committed to the cause of women or a person familiar with the issues relating to sexual harassment
2. At least one half of the total members so nominated shall be women
 3. The presiding officer and every member of the internal committee shall hold office for a period not exceeding 3 years from the date of the nomination
 4. The member appointed from amongst the Non-governmental organizations and associations shall be paid fees for holding the proceedings of internal committee
 5. If the presiding officer or any member of the internal committee-
 - contravenes any of the provisions of the act, or
 - has been convicted for any offence or an inquiry is pending against him, or
 - has been found guilty in any disciplinary proceeding or a disciplinary proceeding is pending against him, or
 - has abused his position so as to render his continuance in office prejudicial to the public interest;

Such presiding officer or member shall be removed from the committee and the vacancies so created shall be filled by fresh nomination

In case the Internal Committee arrives at the conclusion that the allegation against the respondent has not been proved, it shall recommend to the employer that no action is required to be taken in the matter. - Where the internal Committee arrives at the conclusion that the allegation against the respondent has been proved, it shall recommend to the employer to take action for sexual harassment as misconduct in accordance with the Provisions of the MMTC ECDA Rules applicable to the respondent

6. GRIEVANCES



The Management of Heerachand Gems ensures that any complaint related to Recruitment selection process, Open Door Policy, Gender Discrimination, received by them will be attended to, addressed and concluded ASAP (Usual time taken for any grievance to be concluded will be 4-5 Working until otherwise depending upon the Nature of the Complaint

In Case of Non-Satisfied Employees:

Heerachand Gems ensures that the mechanism or any resultant resolutions do not waive or preclude the individual's or group's right to have the same grievance addressed through other available external mechanisms, including administrative, judicial or other non-judicial remedies.

Policy:

Heerachand Gems upholds the human rights standards, does not condone human rights abuses, and creates and nurtures a working environment where human rights are respected without prejudice.

7.1 Discrimination

Policy:

Heerachand Gems acknowledges that every individual brings a different and unique set of perspectives and capabilities to the team. A discrimination-free workplace for employees provides the environment in which diverse talents can bloom and be nurtured. This is achieved by ensuring that a non-discrimination policy and practice is embedded across the Company in line with corporate principles and benchmarked business practices.

7.2 Freedom of Association & Right to Collective Bargaining

Policy:

It is the right of people to be able to come together for the purpose of collective action.

Collective bargaining is facilitated by freedom of association. Collective bargaining is where workers collectively negotiate with employers over terms of employment, grievances or other matters.

7.3 Child Labor and Preventing Forced Labor at workplace

Policy

The foundation of Heerachand Gems Pvt Ltd. "No Child or Forced Labor policy" is based on the Company's commitment to find practical, meaningful and culturally appropriate responses to support the elimination of such labor practices. It thus endorses the need for appropriate initiatives to progressively eliminate these abuses.

7.4 Anti Bribery and Facilitation Payments

Policy

This policy not only prohibits making any corrupt payment, but also prohibits the employees from taking/accepting such corrupt payments. The employees will not directly or indirectly request, agree to receive, or accept kickbacks, payoffs or other payments or transfers of anything of value in connection with Heerachand Gems business. The policy not only prohibits the employees from directly making/receiving such corrupt payments, but also indirectly making/receiving such payments through consultants, agents, subcontractors, and vendors or other third party service providers, on behalf of Heerachand

7.5 Anti-Money Laundering & Counter Financing of Terrorism:

As a responsible business enterprise, Heerachand Gems is committed to comply with the Anti-Money Laundering regulations and assist the Government in preventing the process of Money Laundering in every possible way.

The Anti Money Laundering (AML) manual will be a useful reference document for the employees/stakeholders/customers/suppliers & Sub-Agents in making themselves aware of all relevant provisions. Whenever in doubt, the employee or Sub-Agent should refer to the AML Manual. We expect total compliance from all our staff members / customers/ stakeholders etc with the provisions of this Manual. All employees of the Company shall be adequately informed and all suspicious transactions shall be promptly reported to the management immediately.

7.6 Kimberly Process

Policy

Since, Heerachand Gems is not involved in rough diamonds manufacturing or purchase of rough diamonds, the Kimberly Process Certification is not applicable. However, in future, if the company engages in procurement, it will incorporate the regulations and policies required for the Kimberly Process Certification Scheme.

Heerachand Gems Pt. Ltd. Ensures that it will keep records of all such warranty invoices given and received & would get the same audited from a certified auditor on an annual basis.

8. PRODUCT DISCLOSURE



The World Diamond Council has made it mandate to implement the System of Warranties We being traders of cut and polished diamonds, we strongly support the system of World Diamond Council & thus has incorporated a self-regulation System of Warranties wherein all buyers and sellers of polished diamonds and jewellery containing diamonds mention the below mentioned statement in all the invoices:

“The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantees that these diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds. The Seller hereby guarantees that these diamonds are conflict free and confirms adherence to the WDC SoW Guidelines. The Seller certify, declare and guarantee that these diamonds are natural diamonds and are not treated diamonds or synthetic diamonds. To the best of our knowledge and/or written assurance from our supplier, we state that “Diamond herein invoiced have not been obtained in violation of applicable National Laws and/or sanctions by the U.S. Department of Treasury’s Office of Foreign Assets Control (OFAC) and have not originated from the Mbada and Marange Resources of Zimbabwe.” The acceptance of goods herein invoiced will be as per the WFDB (World Federation of Diamond Bouse) guideline. The diamonds supplied with this invoice are subject to neither the restrictions of the EU Regulation 833/2014 nor those of the Swiss Regulation SR 946.231.176.72 The rough diamonds used in cutting the diamonds supplied with this invoice do not originate from mining companies operating in Russia and/or Belarus and/or the Central African Republic (CAR), including, in particular, any company or group of companies belonging to and/or doing business with or under ALROSA, the Wagner

Group and/or their affiliated companies. The above goods are sourced from DTC and Canada.”

9. KNOW YOU COUNTERPARTY (KYC)



Policy:

Heerachand Gems Pt. Ltd shall ensure that all the necessary formalities are adhered to and applied for KYC policies and documentations of counterparts, business Associates, Suppliers, Vendors, and Customers. It shall establish the identity of the *Counterparty* by checking& verifying documentary government issued certificates/ documents. The Compliance Officer will verify and ensure that such documents of the counterparty submitted are True, Fair and Legitimate and does not involve any Fake Identity or involved in any Fraudulent business practices.

10. SECURITY



10.1 Employee / Visitors Security

Heerachand has made a commitment to be a security conscious organisation recognizing the value of security in conducting the business. The Company is committed to ensuring the safety and security of its Employees, Visitors, product, property and other assets. Heerachand will conduct its business on a daily basis with the protection of these assets in mind and an awareness of the importance of its commitment.

The following guidelines will be adhered by the company for the security of employees as well as its assets:

- i) Assess the security of the business environment through on-going assessments and reviews of risks or threats.
- ii) Communicate clear security expectations to all Employees so that each Employees recognizes his or her individual responsibility to implement and comply with this security Policy.
- iii) Through continuous improvement maximize the safety and security of the Company's assets in such a manner that overall business is not compromised.

The Human Resource Department will manage the selection and recruitment of employees with a focus on meeting security and job performance requirements and, where applicable, provide **Security Functions for Employees** training, support and advice to employees.

10.2 Security threat to Business:

The Company will perform on-going assessment of risks, threats and vulnerabilities, and the potential impact thereof, to the Company's business. Prior to entering any new business venture or vendor development, similar assessments will be done such as background check, creditworthiness, KYC of etc.

10.3 Product Security:

Heerachand will use reasonable efforts to maximize the security of products. The Company will implement and appropriate systems in accordance with approved security guidelines and protocols including, controlled access by authorized Employees to the Safe Area location. Such protocols will include a combined approach of systems, video monitoring and search procedures, where applicable to encourage Employee integrity, enhance safety and assist in investigations.

10.4 Technical and Electronic Security:

Heerachand will support its security program with appropriate electronic and other technology based system.

10.5 Information Security:

Heerachand will do its best to ensure that there are security measures in place to protect against industrial espionage, theft and/or unauthorized release of confidential information and intellectual property. The Company will educate Employees that improper and unauthorized release of any Company information or property could compromise the safety and security of Employees and Company assets

11. RISK ASSESSMENT POLICIES



The diamond industry is undergoing a major threat and risk due to the influx of undisclosed synthetic diamonds in supply chain of diamonds globally. This will damage the reputation and goodwill of diamond companies intensively. To maintain the reputation and goodwill of our company, Heerachand Gems Pvt. Ltd., is thriving collectively to reduce this eminent risk & eliminate it.

For that, we have adopted the *BPP (Best Practice Principle)* to mitigate the identified risk of trading in undisclosed synthetic diamonds/ treated diamond / CVD etc.

11.1 Supply Chain & Ethical Sourcing Policy:

We, at Heerachand Gems Pt. Ltd are committed to adopt and implement **Supply Chain Policy** in accordance with the WDC/OECD guidelines.

Heerachand Gems Pt. Ltd shall exercise due diligence over their supply chains in Accordance with the OECD Due Diligence Guidance while sourcing from Conflict Affected and High Risk Areas

Heerachand Gems Pt. Ltd has effective policies, procedures and monitoring systems to avoid high risk synthetic diamonds entering the supply chain

Heerachand Gems Pvt. Ltd has risk assessment mechanism wherein we will not have any business relations with suppliers if we find Any such suppliers are

involved in sourcing from Conflict Affected or High Risk areas (CAHRA) or Who are violating/ not adhering to the OECD guidelines.

As part of ethical business practices, we would like to encourage all business Partners associated with us is the supply chain to follow and implement the OECD Guidelines for sourcing of diamonds.

12. PERFORMANCE MANAGEMENT SYSTEM



12.1 Introduction

At Heerachand Gems we aim to be an employer of choice –

- Where people want to work.
- As a business we are committed to giving all members of our team every opportunity to develop their careers, to contribute to our business and to share in its success.

The Performance Management System is designed to support the completion of the work of the organisation. It will also define measure and recognise the contribution of individuals and help the organisation establish achievable goals for all of its people as a team based approach.

At any stage, if you have any questions or concerns you can raise them with your Manager.

12.2 Performance Appraisals

Policy Statement

All employees will undergo performance appraisals with their immediate managers based on the level of their role. All performance appraisals will be timed from the date employment commenced. This is to ensure performance management is a regular, rather than occasional management responsibility. Performance appraisals are completely separate from remuneration reviews.

Objectives

- The objective of the performance appraisal system is to constantly monitor progress of the capabilities and achievements of employees
- To facilitate the ongoing development of team members and to identify when an employee has demonstrated readiness for greater responsibility.

- The objective of individual performance appraisals is to review work performance on the basis of both capabilities and achievement of specific performance objectives.
- Performance appraisals also provide feedback to Company on the achievability of objectives.

13. SALARY DISBURSEMENT



The Salary will be disbursed by 7th of every month for the preceding month. This requires timely submission of information to the HR Department by 30th of every month.

The Accounts Department shall deduct the applicable taxes & profession tax.

The salaries of employees will be transferred directly to their respective bank accounts, maintained at a Zero-balance basis.

13.1 Yearly Bonus

Yearly Bonus would be provided to the Employees. The amount/ percentage / ratio of bonus lies solely at the discretion of the Management.

13.2 Gratuity

Gratuity will be paid to employees who have completed **five or more years** of service in Heerachand Gems Pt. Ltd./ HG Gems LLP The basis for the calculation of gratuity is the 15 days of the last drawn salary and years of service provided by the employee. i.e.

Gratuity = (15× last drawn salary × number of completed years of service)/26

Provision for the same is done in the Financial Records on yearly basis.

14. LEAVE POLICY



Policy Statement

All employees are entitled to leave in accordance with the relevant agreements and statutory provisions. Where the attached practices conflict with employment law for an employee, or group of employees, the law will take precedence. Leave for full time employees will generally be **15 days per annum (PL), 5 days Casual Leave, 5 days Sick Leave** plus **gazetted public holidays** in the workplace jurisdiction.

14.1 Maternity Leave

The Maternity Benefit Act, 1961 was amended in 2017 (Amendment) wherein the maternity leave period has been increased to **26 weeks for the first two children**.

Maternity leave period for women **with more than two children would be 12 weeks**. Female employees with at least 12 months of continuous service are entitled to maternity leave.

Maternity leave is **paid leave**.

15. HEALTH AND SAFETY POLICY



Policy Statement

Heerachand Gems shall ensure that safe and healthy working conditions are provided for all Employees and on-site Contractors in accordance with Applicable Law and other relevant industry standards

16. ENVIRONMENT MANAGEMENT



Policy Statement

Heerachand Gems shall identify environmental Risks, significant environmental impacts, and opportunities for improving environmental performance

17. WASTES AND EMISSIONS



Policy Statement

We shall identify significant wastes and emissions to air, water and land generated in their business processes and take measures to dispose of such wastes and emissions. We would strive to work towards using renewable energy as per legislation law. It shall conduct *Scope 1 and Scope 2 annual carbon footprint consumption* and publish the same on public platform.

18. PRIVACY



You are required to observe and uphold all of the Company's privacy policies and procedures as implemented or varied from time to time.

If you would like any clarification of any of the policies or procedures contained within this HR Manual, please contact HR management who will be glad to provide guidance and support.