

HMSI

To : All Permanent workmen and JE & above Associates (except Directors)
From : General Affairs
Subject : Regarding Voluntary Retirement Scheme (VRS)
Date : 05.01.2021

The Indian auto industry is going through an exceptionally challenging phase considering the prolonged demand slowdown and economic fallout from the coronavirus crisis.

In these uncertain times, we are realigning our production strategy for improved overall operational efficiency with the objective of long term business sustainability. In order to maintain its existence in this competitive two-wheeler market, it is essential to continue with high efficiency and cost competitiveness.

Therefore, keeping in view all the above reasons, the management has introduced a "Voluntary Retirement Scheme" (VRS) for all the associates who want to voluntarily retire from the company before their fixed retirement age, so that they can be relieved from the company gracefully.

Eligibility and Condition of the scheme:

The scheme will be applicable to all permanent associates who are on the roll of the Company on the date of launch of this scheme and completing 10 years of service or attaining the age of 40 years or above on or before 31.01.2021. Directors are not eligible under this scheme.

Scheme Timings:

This scheme will be effective from the date 05.01.2021 and will remain open till date 23.01.2021. However, the management at its discretion can change the scheme without any prior information or notice and may extend its time period. The management will have full authority to decide in this regard.

Benefit under the scheme:

1. Formula for Calculation of VRS Compensation:

| |
|--|
| A) 3 Months Gross Salary x Completed Year of Service |
| + |
| B) 1 Month (Basic + VDA) x Remaining Year of Service |
| + |
| C) Ex. Gratia 22000 x Completed Year of Service |
| Total compensation amount = A+B+C |

2. In addition to the above benefits, the associates who will apply for voluntary retirement under this scheme will be eligible for:

Permanent workmen: Either the Medclaim coverage equal to AE Medclaim policy and exiting GPA policy till the retirement age of 58 years or in lieu of that one-time amount of Rs. 3 Lakhs.

JE & above: Either the existing Medclaim coverage and exiting GPA policy till the retirement age of 58 years or in lieu of that one-time amount of Rs. 3 Lakhs.

3. First 1- 400 accepted applicants will get Early bird incentive Rs. 5 Lakhs each.

4. If VRS applications exceed 400 nos, additional Rs. 4 Lakhs will be paid to all the applicants.

5. Maximum amount of eligible application under this scheme for Permanent workmen and JE & above shall be as follows:

| Level | Max. Amount (All Inclusive Point No. 1+2+3+4) |
|--------------------------|---|
| Sr. Mgr ~ Vice President | 72 Lacs |
| Manager | 67 Lacs |
| Deputy Manager | 48 Lacs |
| Assistant Manager | 36 Lacs |
| Senior Executive | 31 Lacs |
| Executive | 27 Lacs |
| Assistant Executive | 15 Lacs |
| Permanent Workmen | 72 Lacs |

6. In addition to the above dues, the eligible associate will also be paid the separation month's earned salary, earned leave, gratuity and other legal dues as per the rules.

Application Procedure:

- Under this scheme, the associate interested to take voluntary retirement will have to take the application from HRIR department, fill it in the prescribed format and submit it to HRIR department.
- Once such submitted application is accepted, it cannot be withdrawn on any grounds.

Other Terms & Conditions:

- Management reserves the right to accept or not to accept any application at its discretion without assigning any reason. The decision of the management in this regard will be final and binding.
- Tax will be deducted as per the income tax rules on the total sum of all the above amounts. Income tax will have to be paid by the associate only. Income tax will be deducted from the amount paid by the company to the concerned associate.
- For information : Leave encashment upto Rs. 3 lakhs and Gratuity upto 20 lakhs will not be taxable.

All interested associates will have to take and submit their application to HRIR department between the said period.

The scheme will automatically close after the date 23.01.2021.

For details of the scheme, kindly contact Sunil Kumar Dahiya san (Department Manager) in HRIR department.

(Naveen Sharma)

Division Head – General Affairs

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