
	<b>E.I.D. PARRY (INDIA) LTD,</b> PARRY NUTRACEUTICALS DIVISION, OONAIYUR.		 murugappa
	<b>STANDARD OPERATING PROCEDURE</b>		
<b>Title:</b>	<b>Contract Labour engagement and its related process</b>		
<b>SOP No.:</b> 007/2021	<b>Version No. 2</b>		<b>Page 1 of 3</b>
<b>Effective Date</b>	<b>01-01-2022</b>	<b>Next Review Date</b>	<b>25-12-2022</b>

### 1.0 Purpose:

1.1.1. Setting processes of contract labour starting from tracking of attendance to payment.

### 2.0 Scope:

2.1.1. The set process shall strictly be adhered by Contractor, functional departments in the plant Viz. HR/Admin, Production team (user departments), Plant Finance.

### 3.0 Responsibility:

3.1.1. Responsibilities shall be lying with all stakeholders as stated in the below given procedures.

### 4.0 Abbreviations & Definitions:

4.1.1. **Contractor:** Any person who has entered into an agreement to provide manpower supply services to the company.

4.1.2. **Company:** E.I.D. Parry (India) Limited (Nutraceuticals Division), Oonaiyur and Saveriyarpuram.

4.1.3. **Statutory compliances:** It includes Employees Provident Fund (PF), Contractor's License, Employees Compensation Insurance Policy (ECIP), Goods and Service Tax (GST) and other applicable laws which may notify by the Government from time to time.


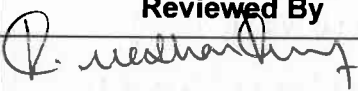

4.1.4. Abbreviations such as BH, HO, HR stand for Business Head, Unit Head, Head office – Chennai, Human Resource respectively.



4.1.5. **Committee:** Committee comprising of Plant Finance head, User department Functional Head, Unit Head and HR for fixation of rate for the contractor.

### 5.0 Procedures:

#### 5.1.1. Agreement:

5.1.1.1. Any person who is supplying contract labour to the Company shall have to enter an agreement with it.


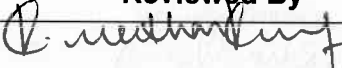
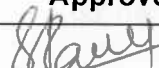
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- 5.1.1.2. Agreement shall clearly spell-out the terms and conditions to be complied with both by the Contractor and Company.
- 5.1.1.3. Any new agreement and any changes in the existing agreement which is proposed to be entered into must be vetted / finalized by HO Legal team with consultation with HO Finance.
- 5.1.1.4. Any subsequent changes required in the signed agreement, first, needs to be approved by Unit Head and then to be amended / vetted by Legal team.
- 5.1.1.5. Responsibility for the above (coordinating and finalizing) would be lying with Plant HR team by taking appropriate support from HO team such as Legal, HR, Finance etc.,

**5.1.2. Attendance recording & Invoice submission for the payment:**

- 5.1.2.1. Based on digitally installed attendance system, all contract laborer's faces are captured with In and Out time. For those whose faces are not recognized due to want of master update, their attendance shall be entered manually by time Office Team.
- 5.1.2.1.1. If overall system fails to capture due to technical glitches, manual entry shall be maintained for workers details with In and Out time in the designated register until system resumes to work.
- 5.1.2.2. Report from the installed system is generated by Plant HR team once in a month. In addition to this, from the manual register, left out employees' details also shall be added to finalize the attendance.
- 5.1.2.3. Responsibility of submission of one invoice per contractor to plant Finance lies with Plant HR.
- 5.1.2.4. At the end of the month, Invoice shall be submitted by Plant HR after certification done by User departments, Plant HR, FHs, UH, Plant Finance for processing of the payment. This is to ensure the correct attendance and rates as per the agreement.
- 5.1.2.5. Contractor must ensure the submission of the single invoice to the plant HR every month within 2 days from the date of attendance closure i.e., 20<sup>th</sup> of the month (Actual billing cycle is from 21<sup>st</sup> of previous month to 20<sup>th</sup> of current month).

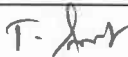
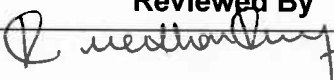
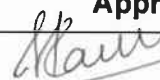
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- 5.1.2.6. The invoice shall be processed for the payment (i.e., sending the invoice to Centralized team at HO after generating the bar code) which requires at least 3 working days. So, certified invoice shall be submitted to plant finance on or before 25<sup>th</sup> of every month. Responsibility – Plant HR
- 5.1.2.7. Plant Finance shall ensure the Ontime payment (i.e., on or before 3<sup>rd</sup> of every month) to contractors. Responsibility- Plant Finance.
- 5.1.2.8. Changes in rates if any: After signing of the agreement, any rates which require to be revised / modified can be done after getting an approval from Unit Head based on the recommendation given by Committee. Responsibility- Plant HR.
- 5.1.2.9. Documents to be annexed by the contractor with the invoice: Invoice, previous month PF payment challan with list of employees, Previous month GST payment challan, EC insurance and any approval email / document evidencing rate changes. Responsibility for verification and confirmation Plant HR & Plant Finance.
- 5.1.2.10. If Previous GST challans are not submitted with running Contractor's invoice, Contractors are not eligible to claim the current running invoice GST Portion.
- 5.1.2.11. Plant HR shall ensure and confirm as to whether wages have been paid to each contract labour before the specified period i.e., 5<sup>th</sup> to 7<sup>th</sup> of every month. Any discrepancy in submission of invoice, billing process, payment to contractor and wage payment to contract labour by the contractor should be notified to the Unit Head. Responsibility- Plant HR/Plant Finance.

## 6.0 Change History

Version	Effective Date	Details of Changes
01	17-09-2018	New SOP
02	01-01-2022	Modified SOP

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