

# VIGIL MECHANISM / WHISTLE BLOWER POLICY

Version 1

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## 1. PREAMBLE

1.1 As per Section 177 (9) of the Companies Act, 2013 (“the Act”) read with Rule 7 (1) (b) of the Companies (Meetings of Board and its Powers) Rules, 2014 (“Rules” or “the said Rules” as the case may be), the companies which borrowed monies from banks and financial institutions in excess of Rs.50 crores must establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances.

1.2 This Vigil Mechanism / Whistle Blower Policy (“Policy” or “this Policy”) is formulated in order to comply with the Act and the said Rules.

## 2. SCOPE

2.1. The Scope of this Policy is to provide opportunity to Whistle Blower (defined below) to report genuine concerns or grievances in violation of the Company’s Code Of Conduct (defined below) to the Vigilance Committee without fear of punishment or unfair treatment with reassurance that they will be protected from victimization for reporting such genuine concerns or grievances.

## 3. APPLICABILITY

3.1. This Policy is applicable to all Directors and Employees of the Company.

## 4. DEFINITIONS

4.1. **Audit Committee** means Audit Committee of the Board of Directors of the Company.

4.2 **Code of Conduct** means the code of conduct of the Company in vogue and published in the company’s website that can be viewed by the Employees.

4.3. **Disciplinary Action** means any action that can be taken on the completion of or during the investigation proceedings under this Policy, 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.

4.4. **Employee** means an employee on the rolls of the Company (whether temporary or permanent) including the Directors, but excluding contract employees.

4.5. **Respondent** means any person against whom the allegations under this Policy have been made who may be a Director or Employee or the Company.

4.6. **Vigilance Committee** means a Committee constituted by the Company/Audit Committee for receiving Disclosures/Reports/Complaints (“Disclosure/s”) from Whistle Blowers, making enquiries

and/or investigation on the Disclosures and recommending its findings/appropriate action to the Management/Audit Committee for closure/disposal of such Disclosures.

4.7. **Whistle Blower** means an Employee who makes a Disclosure under this Policy.

## 5. PROCEDURE TO MAKE DISCLOSURE

5.1. The Whistle Blower shall make a Disclosure to the Vigilance Committee as soon as possible but within 15 (fifteen) days after becoming aware of any genuine concerns/grievances in violation of the Company's code of conduct. The Disclosures under this Policy shall be super scribed as "Confidential Disclosure under Vigil Mechanism / Whistle Blower Policy" and addressed to the contact details set out below:

Vigilance Committee  
Financial Software and Systems Private Limited  
G4, 1<sup>st</sup> Cross Street, SIPCOT IT Park,  
Rajiv Gandhi Salai, (Off OMR),  
Navalur, Siruseri, Chennai – 603 103  
Email: \_\_\_\_\_.

5.2. Anonymous Disclosure shall not be entertained under this Policy and the Vigilance Committee shall not act upon any anonymous Disclosures.

5.3 The Whistle Blower shall submit adequate & proper documentary proof in support of his Disclosure (wherever required) and specify the name of the employee who is ready to act as witness for the Disclosure.

## 6. INVESTIGATION PROCEDURE

6.1. The Vigilance Committee shall enquire into and/or investigate the Disclosures received under this Policy by means a neutral fact finding process. If the Vigilance Committee and/or any member of the Audit Committee are conflicted under any Disclosure, such person shall not deal with the matter. In such cases, the Audit Committee shall nominate any other person to deal with the matter.

6.2. The Vigilance Committee shall consider the following factors while determining the Disclosure:

6.2.1. Whether the issue under the Disclosure is in violation of any law and considered illegal;

6.2.2. Whether allegations are true and the accuracy of facts;

6.2.3. Whether the documents submitted in support of the allegations are acceptable as evidence and the persons named as witness can be acceptable as witness;

6.2.4. Whether the action appears to be isolated or systematic;

6.2.5. Whether the same issue has been raised before and the history of previous assertions

regarding the subject matter;

6.2.6. The gravity of the subject matter and the avenues available for addressing the same;

6.2.7. Cost and consequences of the potential enquiry/investigation.

6.3. After considering the above factors the Vigilance Committee shall decide whether to act upon the Disclosure received or not. If the Vigilance Committee decides not to act upon the Disclosure under this Policy, the Vigilance Committee shall submit a report to the Audit Committee within thirty (30) days of such decision. The Audit Committee shall review the Report & the Disclosure and decide on the Report. If the Audit Committee decides to act further upon the Disclosure under this Policy, the below proceedings under this Policy shall be continued.

6.4. The Vigilance Committee shall complete the investigation under this Policy within 90 days of receipt of the Disclosure made under this Policy. The Vigilance Committee shall submit its report of findings after completion of investigation along with its recommendations to the Audit Committee for its consideration. Any such findings shall be supported by evidence and appropriate reasons for arriving at such conclusion.

6.5. The Vigilance Committee shall have the right to call for any information/document and examination of any Employee or other person, as it may deem appropriate for the purpose of conducting enquiry/investigation. The Vigilance Committee shall also have the right to hear the Whistle Blower, Respondent, witness or any other person either independently or jointly, as per its sole discretion.

6.6. The Audit Committee shall analyze the report and recommendations submitted by the Vigilance Committee and if the Audit Committee is convinced that the alleged genuine and/or serious concerns/practices in violation of the Code of Conduct existed or is in existence, then the Audit Committee may advise the Management of the Company:

6.6.1. to reprimand, take Disciplinary Action, impose penalty/ punishment, order recovery when the claim is proved against the Respondent.

6.6.2. to recommend termination or suspension of any contract or arrangement or transaction vitiated by such violation of Code of Conduct.

6.7. Subject to legal limitations and approval by the Audit Committee, the outcome of the investigation under this Policy will be communicated to the Whistle Blower and the Respondent.

6.8. The Whistle Blower shall have the right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

6.9 In all the cases, decision of the Audit Committee shall be final and binding on the Whistle Blower and all other parties concerned with the Disclosure.

## **7. SAFEGUARDS**

7.1. This Policy provides adequate safeguards against victimization of Whistle Blowers, who avail of this Vigil Mechanism. This Policy protects the Whistle Blower against unfair removal, unfair termination and unfair employment practices.

7.2. Any Whistle Blower against whom any adverse action has been taken due to his Disclosure of information under this Policy may approach the Audit Committee. The Audit Committee shall determine the cause of alleged Adverse Personnel Action and may advise the Management of the Company with appropriate action.

7.3. However, this Policy does not protect Whistle Blowers from adverse action which occur independent of his Disclosure or alleged violation of Code of Conduct, poor job performance, any other Disciplinary Action, unrelated to their Disclosure made pursuant to this Policy.

## **8. EXCEPTION**

8.1. Any personal grievances against the Company with regard to employment terms and conditions or about existing Company policies and any personal issues with colleagues shall be reported through existing organizational channels and are not covered under this Policy.

## **9. FRIVOLOUS COMPLAINTS**

9.1. The Audit Committee shall have the right to take suitable Disciplinary Action against a Whistle Blower who makes false allegations or repeated frivolous complaints under this Policy.

## **10. CONFIDENTIALITY**

10.1 The Disclosures and the investigation proceedings under this Policy are confidential in nature and all the persons involved in the Proceedings shall maintain utmost confidentiality of all matters under this Policy and discuss the issues only to the extent or with those persons as may be required.

10.2 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the Whistle Blower will not be revealed unless he himself has made either his details public or disclosed his identity to others. In the event of the identity of the Whistle Blower being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.

## **11. RETENTION OF DOCUMENTS**

11.1. All Disclosures in writing along with the results of investigation relating thereto, shall be retained by the Company for a period of one year from the date of closure/disposal of the Disclosure. All the Documents relating to this Policy shall be considered as confidential; hence access to such documents

shall be restricted only to the Vigilance Committee and the members of the Audit Committee.

**12. REPORTING**

12.1. The Vigilance Committee shall submit an annual report to the Audit Committee containing the number of Disclosures received, number of Disclosures accepted and/or rejected, number of Disclosures resolved and/or pending under this Policy.

**13. REVIEW**

13.1. The Audit Committee shall be responsible for the effective administration, interpretation, application and review of this Policy. The Board of Directors reserves its right to amend or modify this Policy in whole or in part, at any time at its sole discretion as it may deem necessary.

\*\*\*\*\* {END DOCUMENT} \*\*\*\*\*