

VIGIL MECHANISM FOR DETECTION AND PREVENTION OF FRAUD

1. Preface

The company believes that its affairs should be conducted fairly and transparently in conformity with the best professional standards of honesty, integrity and fairness.

To facilitate the above objectives, the company proposes to introduce a “**Vigil Mechanism for Detection and Prevention of Fraud**” in addition to existing system and procedures of internal controls. It is designed to enable any employee to bring any instances that he/she perceives to be fraudulent to the attention of the management for redressal.

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

- a. “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- b. “**Employee**” means every employee of the Company including the Directors in the employment of the Company.
- c. “**Investigators**” mean those persons authorised, appointed, consulted or approached by the Chairman, Audit Committee.
- d. “**Protected Disclosure**” means any communication made in good faith that discloses or demonstrates information that may evidence fraudulent activity.
- e. “**Subject**” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

f. "Reporting Employee" means an Employee making a Protected Disclosure under this Policy.

3. Scope

a. This Policy is a part of the Company's initiative to strengthen Internal Financial Controls. The employee's role is that of a reporting party with reliable information, but he/she will not act as investigator or finder of facts and determine the appropriate corrective or remedial action that may be warranted in a given case.

b. Reporting Employees should not act on their own in conducting any investigative activities, nor will they have a right to participate in any investigative activities.

4. Eligibility

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to fraudulent activity concerning the Company or any of its group companies

5. Disqualifications

a. While it will be ensured that genuine complaints are accorded complete protection from any kind of unfair treatment, any abuse of this protection will also warrant disciplinary action.

b. Protection under this Policy would not mean protection from disciplinary action arising out of false allegations made by a Reporting Employee knowing it to be false.

c. An Employee, who makes any Protected Disclosures, which are subsequently found to be *mala fide* or malicious and frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

d. Matters which are pending before a court of law, state, National Human Rights Commission, Tribunal or any other judiciary or sub judiciary body will not be considered.

6. Procedures

- a. All Protected Disclosures should be addressed to the Chairman, Audit Committee of the Company for investigation.
- b. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Employee.
- c. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Employee.
- d. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- e. A suggested format for reporting fraud is enclosed.
- f. No cognizance will ordinarily be taken in respect of disclosures given by anonymous individuals.

7. Investigation

- a. All Protected Disclosures reported under this Policy will be investigated by an identified authority of the Company who will be appointed by the Chairman, Audit Committee.
- b. The decision to conduct an investigation taken by the Chairman, Audit Committee is to be treated as a neutral fact-finding process.
- c. The identity of a person against whom complaint is made and of the Reporting Employee will be kept confidential as required for legitimate needs of law and investigation.
- d. Persons against whom a complaint is made will normally be informed of the allegations at the outset of a formal investigation and will be given opportunities in providing their inputs and be required to co-operate during investigation.

e. The person against whom a complaint is made will have a responsibility not to interfere in the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated.

f. Persons against whom a complaint is made will have a right to be informed of the outcome of the investigation. If allegations are not sustained, they will be consulted as to whether investigation results would be disclosed in the best interest of the person and the Company.

g. The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

h. The person against whom complaint is made and the Reporting Employee cannot dispute or challenge the appointment of the person who will work as identified authority. The decision in terms of appointment will solely rest with the Chairman, Audit Committee.

8. Protection

a. No unfair treatment will be meted out to a Reporting Employee by virtue of his/her having reported a Protected Disclosure under this Policy. Thus, if the Reporting Employee is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Reporting Employee to receive advice about the procedure, etc.

b. The identity of the Reporting Employee shall be kept confidential as permitted under law.

c. Any other Employee assisting in the said investigation shall also be protected to the same extent and in the same manner, as for Reporting Employee.

9. Investigators

a. Investigators shall derive their authority and access rights from the Chairman, Audit Committee when acting within the scope of their investigation.

b. Technical and other resources may be drawn upon to facilitate the investigation. All Investigators shall be independent and unbiased. Investigators have a duty of fairness, thoroughness and observance of legal and professional standards.

c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee, which establishes that:

i. the alleged act constitutes prima facie a fraudulent activity, and

ii. the Investigators will report their findings to the Chairman of the Audit Committee within 30 days of commencement of the investigation supported by information or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review.

10. Decision

The Investigators will report their findings to the Chairman of the Audit Committee within 30 days of commencement of the investigation expressing his concurrence or otherwise on the findings about all Protected Disclosures referred to him. The report should be placed in a meeting of the Audit Committee which will advise the executive management for future course of action.

11. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company as required by the Law.

12. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

SUGGESTED REPORTING FORMAT

To: Chairman of Audit Committee of the Company:

1. Please select the applicable incident type(s) from the list below that best describes the issue(s) you are reporting. Please note that multiple issues can be selected:

- a) Fraud, or suspected fraud or corruption
- b) Wastage/misappropriation of company funds/assets
- c) Manipulation of company data/records

2. Date / Period of occurrence of the incident / fraud / irregularity (Please provide tentative date if you do not know the exact date)

3. Where did the above take place (Area / Department)

4. Nature of transactions / irregularities, names and designations of persons involved

5. To enable your company to act on your complaint, you are requested to provide specific information to facilitate investigation.

6. Do you have any evidence in support of your allegations?

- Yes
- No

7. Is anyone else aware of this incident?

- Yes
- No

8. Have you reported this incident to anyone in the company?

- Yes
- No

Name of the Person reporting : _____

Date : _____

Location : _____

Contact Information : _____

(including email ID optional)