



CAPITALINDIA

Rediscover Business

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Version	4.0
Owned By	Head Human Resources
Approved By	Board of Directors
Effective date	February 14, 2022

1. Introduction

In terms of the provisions of the Companies Act, 2013, read with rules framed thereunder (“Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”), every listed company is required to establish a vigil mechanism / whistle blower policy for its stakeholders, including its employees and directors, to report genuine concerns regarding the company. Further, the vigil mechanism shall provide for adequate safeguards against victimization of the director(s), employee(s) or any other person who avail the mechanism and provide for direct access to the chairperson of the audit committee of such company in appropriate or exceptional cases.

In compliance with the provisions of the Act, the Regulations and the PIT Regulations, the board of directors of Capital India Finance Limited, have, on recommendation of the Audit Committee, adopted this Vigil Mechanism / Whistle Blower Policy (“Policy”), to, inter alia, provide a mechanism to its stakeholders including the Employees, to report and freely communicate their concerns about illegal or unethical practices within the Company, to appropriate authorities.

2. Objective

- a) The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its stakeholders, including the Employees who have concerns about suspected misconduct within the Company, to come forward and express these concerns without fear of punishment or unfair treatment. The Policy provides for a channel to report to the management of the Company about unethical behavior, actual or suspected fraud or violation of laws applicable to the Company and codes or policies of the Company.
- b) The Policy neither releases the Employee(s) from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. Scope

This Policy covers malpractices and events which have taken place / suspected to have taken place including misuse or abuse of authority, fraud or suspected fraud, violation of laws and rules and policies of the Company, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is adversely affected. Specific examples may include:

- a) Criminal offences (corporate fraud, corruption, bribery or theft), which have been or are likely to be committed;
- b) Unethical business conduct and serious irregularities, regulatory or financial;
- c) Conflict of business interest;
- d) Misuse of the assets of the Company;
- e) Misuse of authority;
- f) Willful suppression of facts;
- g) Funds being used in any unauthorized manner;
- h) Giving false / incorrect / in-complete information in the Company’s financial records and

- distorting the true nature of the transaction;
- i) Falsification of transactions / documents;
- j) Unfair or bias treatment to any person including the Employees which will cause injustice to such person;
- k) Endangering the health or safety of any individual/ employee;
- l) Actions exceeding the authority granted in the day to day course of business;
- m) Leak of UPSI or suspected leak of UPSI;
- n) Any other form of improper action or conduct.

4. Definitions

“Alleged Wrongful Conduct” means any violation of law, infringement of rules, regulations and policies of the Company, misappropriation of funds of the Company, actual or suspected fraud, substantial and specific danger to public health and safety, abuse of authority or other unethical or improper activity with respect to the Company which falls under the scope of this Policy.

“Audit Committee” means a committee constituted by the Board in accordance with the provision of Section 177 of the Act and Regulation 18 of the LODR Regulations.

“Board” means the board of directors of the Company.

“Complainant(s)” means any person(s), including the Employee(s) or any other stakeholders of the Company, who makes a formal complaint or raises a concern in respect of the Alleged Wrongful Conduct.

“Employee(s)” means all the present employees of the Company, including employees who are on-roll, off-roll or on contract basis, including all the directors of the Company.

“Protected Disclosure” means a concern raised by a Complainant(s) through a written communication and made in good faith, which discloses or demonstrates information about the Alleged Wrongful Conduct, which shall be factual and not speculative and contain the specific information required for proper assessment of the nature and extent of the concern.

“Subject(s)” means a person or persons against or in relation to whom a Protected Disclosure is made or evidence gathered during an investigation.

“Unpublished Price Sensitive Information” or **“UPSI”** shall mean any information, relating to the Company or its Securities, directly or indirectly that is not generally available, which upon becoming generally available is likely to materially affect the price of the Securities of the Company and shall ordinarily including but not restricted to, information relating to the following:

- a) financial results;
- b) dividends;
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
- e) changes in the Key Managerial Personnel.

“**Vigilance and Ethics Officer**” means an officer appointed by the Company, from time to time, for the purpose of, (i) receiving Protected Disclosures from the Complainants, (ii) maintaining records and ensuring disposal thereof, (iii) placing the same before the Audit Committee, if deemed to be necessary, for its disposal and (iv) informing the Complainant the result thereof.

5. Interpretation

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Act, the LODR Regulations or the PIT Regulations Securities, as the case may be or in any amendment thereto.

6. Eligibility

All stakeholders, including the Employees are eligible to make Protected Disclosures under the Policy in relation to any Alleged Wrongful Conduct or any other matter concerning the Company.

7. Receipt and Disclosure of the Protected Disclosures

- a) All Protected Disclosures should be reported in writing by the Complainant(s) as soon as possible after the Complainant(s) becomes aware of the Alleged Wrongful Conduct, so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.
- b) The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected Disclosure under the Vigil Mechanism / Whistle Blower Policy”. Alternatively, the same can also be sent through email with the subject “Protected Disclosure under the Vigil Mechanism / Whistle Blower Policy”.
- c) If the complaint is not super scribed and closed as mentioned above, it will not be possible to protect the Complainant and the Protected Disclosure will be dealt with as a normal disclosure.
- d) Anonymous/pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.
- e) A Protected Disclosure to the extent possible should include such information as the nature of Alleged Wrongful Conduct, identities of persons involved, a description of documents that relate to the Alleged Wrongful Conduct; and the time frame during which the Alleged Wrongful Conduct occurred.
- f) The Protected Disclosure should be forwarded under a covering letter signed by the Complainant, which shall bear the details of the Complainant. The Vigilance and Ethics Officer shall detach the covering letter bearing the identity of the Complainant and process only the Protected Disclosure.
- g) Protected Disclosures should be factual and should not be speculative or based on a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

- h) All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company. The contact details of the Vigilance and Ethics Officer is as under: -

Name and Address –	Managing Director Capital India Finance Limited Corporate office/Registered Office of the Company
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- i) An email containing a Protected Disclosure can be sent at vigilcifl@capitalindia.com.
- j) Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the chairperson of the Audit Committee.
- k) Upon receipt of the Protected Disclosure, the Vigilance and Ethics Officer / chairperson of the Audit Committee shall make a record of the Protected Disclosure and shall carry out initial investigation before referring the matter to the Audit Committee for further appropriate investigation and needful action. The Vigilance and Ethics Officer / chairperson of the Audit Committee / the Audit Committee may, if deem fit, call for further information or particulars from the Complainant.
- l) The Vigilance and Ethics Officer / chairperson of the Audit Committee shall maintain a record of how the complaint has been dealt with. The record shall contain:
- brief facts of the matter;
 - whether the Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - whether the Protected Disclosure was raised previously on the same subject;
 - details of actions taken by Vigilance and Ethics Officer / chairperson of Audit Committee for processing the complaint;
 - findings of the Audit Committee;
 - the recommendations of the Audit Committee / other action(s), if any.

8. Investigation

- a) All Protected Disclosures under this Policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other employee or officer of the Company and/or an outside agency for the purpose of investigation.
- b) The decision to investigate shall not, by itself, be considered as an accusation and shall be treated as a neutral fact-finding process.
- c) Subject(s) will normally be informed of the allegations (in writing) at the outset of a formal investigation and shall be an opportunity to be heard and provide its inputs on the Alleged Wrongful Conduct, during the investigation.

- d) Subject(s) shall have a duty to co-operate with the Vigilance and Ethics Officer / chairperson of the Audit Committee / any other person appointed by Audit Committee investigating the matter, during the investigation of Protected Disclosures.
- e) Subject(s) shall have a right to consult with a person or persons of its choice, other than the Vigilance and Ethics Officer / investigators and/or members of the Audit Committee.
- f) Subject(s) have a responsibility not to interfere with the investigation. Evidences shall not be withheld, destroyed or tampered with and the witness shall not be influenced, coached, threatened or intimidated by the Subject(s) or any other person.
- g) The Vigilance and Ethics Officer / chairperson of the Audit Committee / any other person appointed by Audit Committee investigating the matter shall submit an investigation report to the Audit Committee.
- h) Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of Alleged Wrongful Conduct against a Subject(s) shall be maintainable unless there is proper evidence in support of such allegation.
- i) Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject(s) shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- j) The investigation shall normally be completed within 90 (Ninety) days from the date of the receipt of the Protected Disclosure and may, on the request of the investigating officer and/or the Subject, be extended by such period as the Audit Committee may deem fit.

9. Decision and Reporting

- a) If an investigation leads to a conclusion that Alleged Wrongful Conduct has been committed, the Vigilance and Ethics Officer / chairperson of the Audit Committee / any other person appointed by Audit Committee investigating the matter shall recommend the Audit Committee to take such disciplinary or corrective action as it may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable conduct and disciplinary procedures.
- b) The Vigilance and Ethics Officer shall submit a report to the chairperson of the Audit Committee on a quarterly basis about all Protected Disclosures referred to him since the last report together with the results of investigations, if any. The report shall be discussed in the immediately next meeting of the Audit Committee. If the Protected Disclosure is against any member of the Audit Committee (including chairperson of the Audit Committee) such a person shall recuse himself from the proceedings of the Audit Committee when the matter is being discussed.

- c) In case the Subject is the Vigilance and Ethics Officer of the Company, the chairperson of the Audit Committee after examining the Protected Disclosure shall forward the Protected Disclosure to the other members of the Audit Committee. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- d) If the report of investigation is not to the satisfaction of the Complainant, the Complainant has the right to report the event to the appropriate investigation officer or the Audit Committee.
- e) The Complainant who makes false allegations of Alleged Wrongful Conduct to the Vigilance and Ethics Officer or chairperson of the Audit Committee shall be subject to appropriate disciplinary action by the Audit Committee.

10. **Secrecy / Confidentiality**

The Complainant, the Vigilance and Ethics Officer, members of Audit Committee, the Subject and every person involved in the process of investigation of Alleged Wrongful Conduct shall:

- a) maintain confidentiality of all matters under this Policy;
- b) discuss only to the extent or with those persons as may be required for completing the process of investigations under this Policy;
- c) not keep the papers related to any Protected Disclosures or related investigation unattended anywhere at any time;
- d) keep the electronic mails / files related to any Protected Disclosures or related investigation, in secured manner.

11. **Protection**

- a) No unfair treatment will be meted out to the Complainant by virtue of him having reported a Protected Disclosure under this Policy. A complete protection will be given to the Complainant against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Complainant's right to continue to perform his duties /functions, or making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Complainant may face as a result of making the Protected Disclosure. Thus, if the Complainant is required to give evidence in criminal or disciplinary proceedings, the Company will make necessary arrangements for the Complainant in order to receive the information / advice about the procedure, etc.
- b) The Complainant may also report any violation in respect of protection available to the Complainant under this Policy and/or the manner the Protected Disclosure is made, and such violations shall be investigated into, as a Protected Disclosure.
- c) The identity of the Complainant shall be kept confidential to the extent possible and permitted

under law. The identity of the Complainant will not be revealed unless he/she himself/herself has made either his/her details public or disclosed his/her identity to any other office or authority. In the event of the identity of the Complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. Any other Employee assisting in the such investigation shall also be protected to the same extent as the Complainant.

- d) The Complainant before making a complaint should have reasonable belief of occurrence of Alleged Wrongful Conduct and should act in a good faith.

12. Communication

All the stakeholders of the Company, including the Employees, shall be informed of the Policy by publishing the same on the website of the Company.

13. General

- a) All records prepared by the Vigilance and Ethics Officer / chairperson of the Audit Committee in relation to the Protected Disclosures, including the Protected Disclosures along with the results of investigation in relation thereto, shall be retained by the Company in terms of its Policy for Document Preservation and Archival or such other period as specified by any other law in force, whichever is more.
- b) This Policy is subject to the applicable laws including but not limited to the Act, the LODR Regulations and the PIT Regulations and shall supersede the earlier version of the Policy.
- c) The Audit Committee shall be responsible for the administration, interpretation and application of this Policy. The decision of the Audit Committee with regard to any or all Protected Disclosures shall be final and binding on all concerned parties.
- d) This Policy is subject to review by the Audit Committee / the Board as and when deemed necessary. The Audit Committee / the Board may amend this Policy from time to time depending upon the requirements of the provisions of the Act, the LODR Regulations, the PIT Regulations and other applicable laws.
- e) Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws / regulations either existing or arising out of any amendment to such laws / regulations or otherwise and applicable to the Company from time to time. Any change/amendment in applicable laws in relation to the vigil mechanism / whistle blower policy, shall be deemed to be incorporated in this Policy by reference and this Policy shall be deemed to have been amended and revised accordingly without any need or requirement of any action.
- f) Any reference to any gender in this Policy shall include references to the female, male and neuter genders.