

IFCI Venture Capital Funds Limited

Vigil Mechanism Policy / Whistle Blower Policy

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1. PREFACE

1.1 IFCI Venture Capital Funds Limited (“the Company”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

1.2 Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 provides that every listed Company, the Companies which accept deposits from the public and the Companies which have borrowed money from banks and public financial institutions in excess of Rs. 50 crore, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.

1.3 Accordingly, this Vigil Mechanism Policy (“the Policy”) has been formulated with a view to provide a mechanism to directors and employees of the Company to approach the Ombudsperson / Chairman of the Audit Committee of the Company.

2. DEFINITIONS

- 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 read with Companies (Meetings of Board and its Powers) Rules, 2014 issued by the Ministry of Corporate Affairs.
- b. **“Director”** means a director appointed to the Board of a Company;
- c. **“Disciplinary Action”** means any action that can be taken on the completion of / during the investigation proceedings 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.
- d. **“Employee”** means every employee of the Company including employees working on contractual basis.
- e. **“Informant”** means an Employee/ Director making a Secured Disclosure under this Policy.

- f. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Ombudsmen/Chairman of the Audit Committee and includes the auditors of the Company and the police.
- g. **“Ombudsperson”** will be a Managing Director of the Company for the purpose of receiving all complaints under this Policy and ensuring appropriate action. The Board of Directors shall have the authority to change the Ombudsperson from time to time.
- h. **“Policy”** means the Vigil Mechanism Policy, as amended from time to time and approved by the Board of the Company.
- i. **“Secured Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- j. **“Subject”** means a person against or in relation to whom a Secured Disclosure has been made or evidence gathered during the course of an investigation.

3. SCOPE/ COVERAGE OF POLICY

- 3.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - a) Abuse of authority;
 - b) Breach of contract;
 - c) Negligence causing substantial and specific danger to public health and safety;
 - d) Manipulation of company data/records;
 - e) Financial irregularities, including fraud, or suspected fraud;
 - f) Criminal offence;
 - g) Pilferation of confidential/propriety information;
 - h) Deliberate violation of law/regulation;
 - i) Wastage/misappropriation of company funds/assets;
 - j) Any other unethical, biased, favoured, imprudent event.
- 3.2 Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.
- 3.3 Informants should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Ombudsperson or the Chairman of the Audit Committee or the Investigators.

4. ELIGIBILITY

- 4.1 All Employees and Directors of the Company are eligible to make Secured Disclosures under the Policy. The Secured Disclosures may be in relation to matters concerning the Company or any other group/ subsidiary/ associate company of IFCI Limited.

5. DISQUALIFICATIONS

- 5.1 While it will be ensured that genuine informants are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 5.2 Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by an Informant knowing it to be false or bogus or with a mala fide intention.
- 5.3 Informants, who make any Secured Disclosures, which have been subsequently found to be mala fide or malicious or Informants who make 3 or more Secured Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Secured Disclosures under this Policy.

6. REPORTING LEAKAGE OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAKAGE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 6.1 Any person becoming aware of any leakage of Unpublished Price Sensitive Information or any suspected leakage of Unpublished Price Sensitive Information can report of event, as per the procedure prescribed in this Policy.
- 6.2 The Vigilance Department shall intimate the Board of Directors about the receipt of such information, inquiry initiated against the suspected person and results of such enquiry.

7. PROCEDURE

- 7.1 All Secured Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- 7.2 In respect of all other Secured Disclosures, those concerning the Ombudsperson and employees at the levels of General Manager and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Ombudsperson, appointed in this regard.
- 7.3 The contact details of the Chairman of the Audit Committee are as under:
Chairman of the Audit Committee
IFCI Venture Capital Funds Limited
IFCI Tower,
61, Nehru Place,
New Delhi – 110019
- The contact details of the Ombudsperson are as under:
Managing Director
IFCI Venture Capital Funds Limited
IFCI Tower,
61, Nehru Place,
New Delhi – 110019
- 7.4 If a Secured disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Ombudsperson, the same should be forwarded to the Company's Ombudsperson or the Chairman of the Audit Committee for further appropriate action.
- 7.5 Secured Disclosures should preferably 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 or Hindi language.
- 7.6 The Secured Disclosure should be forwarded under a covering letter which shall bear the identity of the Informant. The Chairman of the Audit Committee / Ombudsperson, as the case may be shall detach the covering letter and forward only the Secured Disclosure to the Investigators for investigation.

7.7 Secured 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.

8. INVESTIGATION

8.1 All Secured Disclosures reported under this Policy will be thoroughly investigated by the Ombudsperson / the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.

8.2 The Ombudsperson / Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.

8.3 The decision to conduct an investigation taken by the Ombudsperson /Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the informant that an improper or unethical act was committed.

8.4 The identity of a Subject and the informant will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

8.5 Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

8.6 Subjects shall have a duty to co-operate with the Ombudsperson /Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws. .

8.7 Subjects have a right to consult with a person or persons of their choice, other than the Ombudsperson / Investigators and/or members of the Audit Committee and/or the Informant. Subjects shall be free at anytime to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.

8.8 Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

- 8.9 Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation
- 8.10 Subjects have a right to be informed of the outcome of the investigation.
- 8.11 The investigation shall be completed normally within 45 days of the receipt of the Secured Disclosure.

9. PROTECTION

- 9.1 No unfair treatment will be meted out to an informant by virtue of his/her having reported a Secured Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Informants. Complete protection will, therefore, be given to Informants 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 informant's right to continue to perform his duties/functions including making further Secured Disclosure. The Company will take steps to minimize difficulties, which the Informant may experience as a result of making the Secured Disclosure. Thus, if the Informant is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Informant to receive advice about the procedure, etc.
- 9.2 An Informant may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 9.3 The identity of the Informant shall be kept confidential to the extent possible and permitted under law.
- 9.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Informant.

10. INVESTIGATORS

- 10.1 Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Ombudsperson / Audit Committee when acting within the course and scope of their investigation.



- 10.2 Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- 10.3 Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Ombudsperson, as the case may be, which establishes that:
- a) the alleged act constitutes an improper or unethical activity or conduct, and
 - b) the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review.

11. DECISION

If an investigation leads the Ombudsperson / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Ombudsperson / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective actions the Ombudsperson / Chairman of the Audit Committee 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 personnel or staff conduct and disciplinary procedures.

12. REPORTING

The Ombudsperson shall submit a report to the Chairman of the Audit Committee on a regular basis about all Secured Disclosures referred to him/her since the last report together with the results of investigations, if any.

13. RETENTION OF DOCUMENTS

All Secured Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of three years.

14. 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. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.