

VELANKANI INFORMATION SYSTEMS LIMITED

WHISTLE BLOWER POLICY/VIGIL MECHANISM

1. Preface

1.1 Velankani Information Systems 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.

1.2 The company is committed to developing a culture where it is safe for all directors and employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

1.3 The Companies Act, 2013 {under the provisions of section 177(9) and relevant Rules made thereunder} and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) {under the provisions of its Regulation 4(2)(d) and 22} provide, a mandatory requirement, for all listed companies and such other class of companies as may be prescribed under the Companies Act, 2013 to establish a mechanism called Whistle Blower Policy for its stakeholders and Vigil Mechanism for directors and employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy. Since the company is a listed company with its non-convertible debentures having been listed on BSE Limited, Mumbai, the company adopts this Whistle Blower Policy cum Vigil Mechanism (hereinafter “the policy”) as a part of compliance with the Companies Act, 2013, SEBI LODR Regulations and as a measure of good corporate governance.

1.4 The purpose of this policy is to provide a framework to promote secure whistle blowing mechanism. It protects directors and employees wishing to raise a concern about serious irregularities within the company.

1.5 The policy neither releases director and employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

2. Policy

2.1 This Policy is for the Directors and Employees as defined hereinafter.

2.2 The Policy has been drawn up so that Directors and Employees can be confident about raising a concern. The areas of concern covered by this Policy are summarized in paragraph 5.

3. Definitions

3.1 **“Audit Committee”** means a Committee constituted by the Board of Directors of the company in accordance with the provisions of Section 177 of the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

3.2 **“Board”** means the Board of Directors of the company.

3.3 **“Director”** means a director for the time being on the Board.

3.4 **“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.

3.5 **“Employee”** means every employee of the company.

3.6 **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

3.7 **“Subject”** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

3.8 **“Whistle Blower”** is someone who makes a Protected Disclosure under this Policy.

3.9 **“Whistle Officer”** or **“Panel”** means an officer or panel(group) of persons who is nominated/appointed by either Audit Committee or Board to conduct detailed investigation.

4. The Guiding Principles

4.1 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the company will:

4.1.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;

4.1.2 Treat victimization as a serious matter including initiating disciplinary action on such person/(s);

4.1.3 Ensure complete confidentiality.

4.1.4 Not attempt to conceal evidence of the Protected Disclosure;

4.1.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;

4.1.6 Provide an opportunity of being heard to the persons involved especially to the Subject;

5. Coverage of Policy

5.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud, or suspected fraud
6. Criminal offence
7. Pilferation of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of employee Code of Conduct or Rules
11. Any other unethical, biased, favoured, imprudent event

5.2 Policy should not be used in place of the company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

6. Disqualifications

6.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

6.2 Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.

6.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious*, shall be liable to be prosecuted under company's Code of Conduct.

7. Manner in which concern can be raised

7.1 The Audit Committee will have complete oversight and powers with respect to the Policy and matters connected with it and it may escalate such matters as it deems fit to the attention of the Board. Directors and Employees can make Protected Disclosure to Chairperson of Audit Committee, as soon as possible but not later than 30 consecutive days after becoming aware of the same.

7.2 Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.

7.3 If initial enquiries by the Audit Committee or Whistle Officer or Panel indicate that the concern has no basis, or it is not a matter to be investigated or pursued under this Policy, it may be dismissed by Audit Committee at this stage and the decision is documented.

7.4 Where initial enquiries indicate that further investigation is necessary, this will be carried through a Whistle Officer or Panel nominated /appointed for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.

7.5 Name of the Whistle Blower shall, if practicable, not be disclosed to the Whistle Officer/Panel/Audit Committee.

7.6 The Panel/Whistle Officer/Audit Committee shall:

- i) Make a detailed written record of the Protected Disclosure. The record will include:
 - a) Facts of the matter
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether any Protected Disclosure was raised previously against the same Subject;
 - d) The financial/ otherwise loss which has been incurred / would have been incurred by the company.
 - e) Findings of Ombudsperson/Whistle Officer/Committee;
 - f) The recommendations of the Panel/Whistle Officer/Audit Committee on disciplinary/other action/(s).

- ii) The Panel/Whistle Officer shall finalise and submit the report to the Audit Committee within 15 days of being nominated/appointed/.

7.7 On submission of report, the Panel/Whistle Officer shall discuss the matter with Chairperson for the time being of the Audit Committee or any other member of the Audit Committee nominated in this behalf by the Committee, who shall , after consultation and decision of the Audit Committee, either:

- i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer /Panel and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
- ii) In case the Protected Disclosure is not proved, extinguish the matter;

Or

- ii) Depending upon the seriousness of the matter, the Panel/Whistle Officer may directly refer the matter to the Audit Committee with proposed disciplinary action/counter measures. The Audit Committee, if thinks fit, may further refer the matter to the Board with its recommendations. The Board may decide the matter as it deems fit.

7.8 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, s/he can make a direct appeal to the Chairman of the Board and in case there is no regular Chairman of the Board, to the Managing Director of the company.

7.9 All Protected Disclosure against Employees (except Whistle Officer) should be addressed to the Whistle Officer of the company or in appropriate or exceptional cases to the Chairman of the Audit Committee. The contact details of the Whistle Officer and chairperson of audit committee are as under:-

Whistle Officer:

Name: Ms. Anju Prakash

Address: Whistle Officer, Velankani Information Systems Limited

Registered office: No. 43, Electronics City, Phase II, Hosur Road, Bangalore 560 100

Email ID: aprakash@velankanigroup.com

Chairman of Audit Committee

Address: Chairman, Audit Committee, Velankani Information Systems Limited

Registered office: No. 43, Electronics City, Phase II, Hosur Road, Bangalore 560 100

Email ID: cac@velankanigroup.com

7.10 Protected Disclosure against the Whistle Officer and any of the Directors of the company should be addressed to the Chairman of the Audit Committee. The contact details of the present Chairman of the Audit Committee is as under:-

Address: Chairman, Audit Committee, Velankani Information Systems Limited

Registered office: No. 43, Electronics City, Phase II, Hosur Road, Bangalore 560 100

Email ID: cac@velankanigroup.com

8. Protection

8.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected 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 Whistle Blower.

Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the company will arrange for the Whistle Blower to receive advice about the procedure, etc.

8.2 The identity of the Whistle Blower shall be kept confidential.

8.3 Any other Director or Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

9. Secrecy/Confidentiality

The Whistle Blower, the Subject, the Whistle Officer, members of Panel and everyone involved in the process shall:

- a) maintain complete confidentiality/ secrecy of the matter
- b) not discuss the matter in any informal/social gatherings/ meetings
- c) discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d) not keep the papers unattended anywhere at any time
- e) keep the electronic mails/files under password If any one is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

10. Reporting

A half yearly report with number of complaints received under the Policy and their outcome shall be placed before the Board.

11. Amendment

The Board of Directors of the company has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

**ACKNOWLEDGEMENT AND AGREEMENT REGARDING THE VIGIL MECHANISM/ WHISTLE
BLOWER POLICY OF VELANKANI INFORMATION SYSTEMS LIMITED**

This is to acknowledge that I have received a copy of the company's Vigil Mechanism/ Whistle Blower Policy. I understand that compliance with applicable laws and the company's Code of Conduct is important and as a public company, the integrity of the financial information of the company is paramount. I further understand that the company is committed to a work environment free of retaliation whenever an employee makes a good faith report regarding such concerns. Accordingly, I specifically agree that to the extent that I reasonably suspect that there has been a violation of applicable laws or the company's Code of Conduct including any retaliation related to the reporting of such concerns. I will immediately report such conduct in accordance with the company's Whistle Blower Policy. I further agree that I will not retaliate against any employee for reporting a reasonably suspected violation in good faith.

I understand and agree that to the extent I do not use the procedures outlined in the Vigil Mechanism/ Whistle Blower Policy, the company and its officers and directors shall have the right to presume and rely on the fact that I have no knowledge or concern of any such information or conduct.

Director/Employee's Signature

**Director/Employee's
Name:**

Date:

Place: