
Whistleblower/ Vigil Mechanism Policy

Human Resources
Department

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UGRO Capital Limited



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1 Introduction

UGRO Capital Limited (hereinafter referred to as ‘the Company’) promotes integrity and transparency across the organization by adhering to the highest standards of ethical, moral and legal conduct. To maintain these standards, the Company encourages its employees having concerns about suspected misconduct to come forward and report such concerns without fear of punishment or unfair treatment.

This Whistleblower/ Vigil Mechanism Policy (hereinafter referred to as ‘the Policy’) is formulated considering the relevant provisions under Section 177 of the Companies Act, 2013 (and any applicable amendments thereto) and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (and any applicable amendments thereto).

The relevant extract of the section and the rules under the Companies Act, 2013 is reproduced below:

Section 177 (9) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism:

- Every listed company
- Every other company which accepts deposits from the public;
- Every company which has borrowed money from banks and public financial institutions in excess of INR 50 crores.

Relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, is reproduced below:

- Regulation 4(2)(d)(iv) states that the listed entity shall devise an effective whistleblower/ vigil mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.
- Regulation 22 states that the listed entity shall formulate a vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

The vigil mechanism is implemented as a safeguard to unethical practices and is intended to provide a mechanism for reporting genuine concerns or grievances.

2 Purpose

The Company wants to promote a culture of speaking up and raising red flags on matters relating to breaches/ violations of the Company's Code of Conduct, fraudulent transactions and any other issues noted. For this, the Company has established a platform by developing the Policy wherein employees and relevant stakeholders can voice their genuine concerns. The Policy provides a non-threatening environment to employees to discuss matters relating to violation of the Company's Code of Conduct, suspected unethical behaviors, malpractices, wrongful conduct, frauds, violations of law and questionable accounting or auditing matters. It ensures protection from victimization and reprisal for whistleblowing in good faith.

The Policy shall be applicable to:

- a) All the employees of the Company; and
- b) Other stakeholders such as:
 - i. Vendors, suppliers, relationship managers, key partners, contractors or agencies (or any of their employees) providing any material or services to the Company;
 - ii. Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location;
 - iii. Consultants including auditors and advocates of the Company;
 - iv. Customers of the Company; and
 - v. Any other person having an association with the Company

A person belonging to any of the above categories shall make use of the vigil mechanism provided by the Policy.

3 Definitions

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

- a) **Audit Committee:** means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013, which has responsibility for supervising the development and implementation of the Policy and reviewing the functioning of the whistleblower mechanism.
- b) **Board/ Board of Directors/ Directors:** means a body of elected or appointed members who jointly oversee the activities of the Company.
- c) **Code of Conduct:** means a set of rule outlining the responsibilities of or proper practices for an individual, a party or organization. In this case, it refers to the Company's code of conduct.
- d) **Disciplinary Action:** means any action that can be taken on the completion of or during the course of the investigation proceedings, including but not limited to, a warning, recovery of financial losses incurred by the Company, suspension/ dismissal from the services of the Company or any such action as is deemed fit considering the gravity of the matter.
- e) **Employee:** means every employee of the Company, including the Directors of the Company.
- f) **Protected Disclosure:** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence fraud or unethical activity within the Company. Protected Disclosures should be factual and not speculative in nature.
- g) **Subject:** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under the Policy.
- h) **Whistleblower:** means an individual who makes a Protected Disclosure under the Policy.

4 Coverage

The Policy covers malpractices and events which have taken place or are suspected to take place, including but not limited to, the following:

- a) Inaccuracy in maintaining the Company's books of account and financial records;
- b) Financial misappropriation and fraud including suspected fraud;
- c) Procurement fraud;
- d) Approving a loan which is against the Company's policy;
- e) Any misappropriation concerning payment to vendors, bills etc.;
- f) Conflict of interest;
- g) False expense reimbursements;
- h) Misuse of Company assets & resources;
- i) Inappropriate sharing of Company's sensitive information;
- j) Corruption & bribery;
- k) Insider trading
- l) Unfair trade practices & anti-competitive behavior;
- m) Non-adherence to safety guidelines;
- n) Abuse of authority at any defined level in the Company;
- o) Breach of contract;
- p) Negligence causing substantial and specific danger to public health and safety;
- q) Manipulation of the Company's data/ records;
- r) Financial irregularities, including fraud or suspected fraud or deficiency in internal control or deliberate error in preparations of financial statements or misrepresentations of financial reports;
- s) Any unlawful act whether criminal/ civil;
- t) Pilfering confidential/ proprietary information;
- u) Deliberate violation of law/ regulation;
- v) Breach of Company's code of conduct or rules or policies; and
- w) Any other unethical, biased, favored, imprudent event which does not conform to the approved standard of social and professional behavior.

5 *Protected Disclosure*

5.1 *Reporting*

- a) The whistleblowers are expected to speak up and bring forward the concerns or complaints about issues listed under the 'Coverage' of the Policy.
- b) The whistleblower shall make a Protected Disclosure to the Head of the Human Resources Department i.e. the Chief Human Resource Officer (CHRO) as soon as possible but within 15 (fifteen) days after becoming aware of any genuine concerns/ grievances.

Disclosures should be made in writing and can be submitted to the CHRO in any of the following manners:

- i. By email to whistleblower@ugrocapital.com;
- ii. By letter addressed to the Chief Human Resources Officer, marked "Private & Confidential" and delivered to the address set out below:

Chief Human Resources Officer

UGRO Capital Limited
Equinox Business Park,
Tower 3, Fourth Floor,
Off BKC, LBS Road, Kurla,
Mumbai, Maharashtra – 400070

- c) Anonymous disclosure shall not be entertained under the Policy and the Company shall not act upon any anonymous disclosures.
- d) Protected Disclosures should contain complete and adequate information and documentary proof to allow for proper assessment of the nature and the extent of the concern.

5.2 *Protection*

- a) The Policy provides adequate safeguards against victimization of whistleblowers, who avail of this vigil mechanism. The Audit Committee shall ensure that the whistleblower has been provided adequate protection against any kind of discrimination, harassment, victimization or any other unfair employment practice. The protection is available provided that:
 - i. The communication/ disclosure is made in good faith;
 - ii. He/ She reasonably believes that information, and any allegations contained in it, are substantially true; and
 - iii. He/ She is not acting for personal gain

b) If a complainant believes that she or he has been treated adversely as a consequence of their use of the vigil mechanism, they can approach the Chairman of the Audit Committee of the Company, in accordance with the provisions of section 177 (10) of the Act. The complaint shall be addressed to the Chairman (Mr. Abhijit Sen), in writing, by any of the following means-

- i. By email to **abhijit1.sen@gmail.com**;
- ii. By letter addressed to the Chairman of the Audit Committee, marked "Private & Confidential" and delivered to the address set out below:

The Chairman- Audit Committee

UGRO Capital Limited
Equinox Business Park,
Tower 3, Fourth Floor,
Off BKC, LBS Road, Kurla,
Mumbai, Maharashtra – 400070

5.3 Maintaining confidentiality

The Company expects individuals involved in the review or investigation to maintain complete confidentiality. Disciplinary action may be initiated against anyone who is found guilty of not complying with the below:

- i. Maintain complete confidentiality and secrecy of the matter
- ii. The matter should not be discussed in an informal/ social gatherings/ meetings or with individuals who are not involved in the review or investigation of the matter
- iii. The matter should be discussed only to the extent or with the persons required for the purpose of completing the investigation
- iv. Ensure confidentiality of documents reviewed during the investigation. The documents shall not be left unattended anywhere
- v. The electronic mails/ files shall be password protected at all times
- vi. The secrecy of the whistleblower, the subject, the protected disclosure, the investigation team and the witnesses assisting in the investigation should be maintained.
- vii. A complete record of complaints, conclusion, actions, if any, shall be maintained by the Company.

6 Investigation

6.1 Procedure

- a) The CHRO shall inquire into and/ or investigate the Protected Disclosures received under the Policy by means of a neutral fact-finding process.
- b) If the CHRO is conflicted under any Protected Disclosure, such person shall not deal with the matter. In such cases, the MD and CEO shall nominate any other person to deal with the matter. The CHRO shall also not participate in any discussion/ investigation relating to the said matter.
- c) The CHRO (or such other designated person) shall consider the following factors while considering any disclosure for investigation:
 - i. Whether the issue under the Protected Disclosure is in violation of any law and considered illegal;
 - ii. Whether allegations are true and the accuracy of facts;
 - iii. Whether the documents submitted in support of the allegations are acceptable as evidence and the persons named as witnesses are acceptable as witnesses;
 - iv. Whether the action appears to be isolated or systematic;
 - v. Whether the same issue has been raised before and the history of previous assertions regarding the subject matter;
 - vi. The gravity of the subject matter and the avenues available for addressing the same;
 - vii. Cost and consequences of the potential inquiry/ investigation
- d) After considering the above factors, the CHRO (or such other designated person) shall decide whether or not to act upon the Protected Disclosure received. If it is decided not to act upon the Protected Disclosure under the Policy, reasons for disposal of Protected Disclosure shall be recorded and the reasons for taking such an action shall be informed to the whistleblower.
- e) The CHRO (or such other designated person) shall ensure that the investigation, under the Policy, is completed within forty-five (45) days of receipt of the Protected Disclosure. The investigation report containing the findings along with the recommendations shall be placed before the Audit Committee.
- f) Disclosures, where an element of fraud is present, shall be referred to the Fraud Risk Management committee by the CHRO (or such other designated person).
- g) It should be ensured that the whistleblower is not involved in the investigation process.
- h) The CHRO (or such other designated person) shall have the right to call for any information/ document and examination of any employee or any other person, as it may deem appropriate for the purpose of conducting inquiry/ investigation.
- i) Unless there are compelling reasons to not do so, the subject(s) will be given a reasonable opportunity of being heard during the investigation. No allegation of wrongdoing against a subject shall be considered as maintainable unless there is good evidence in support of the allegation.

6.2 Decision

If an investigation leads the CHRO (or such other designated person) to conclude that an improper or unethical act has been committed, the case may be referred to the Disciplinary Committee to take appropriate actions.

The CHRO may, if required for the purpose of investigations under the Policy, seek assistance from the Chief Audit Executive (CAE) or engage with external specialized firms.

The CHRO (or such other designated person) also has the right to take necessary actions, including referring the case to Disciplinary Committee, against a whistleblower who makes false allegations or repeated frivolous complaints under the Policy.

7 Reports and documents

7.1 Access to reports and documents

All reports and records associated with Protected Disclosures are considered confidential information and access will be restricted to the whistleblower, or any other member involved in the investigation process. Disclosures and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any law or regulations or by any corporate policy in place at that time.

7.2 Reporting

A quarterly report shall be placed before the Audit Committee containing the number of Protected Disclosures received, number of Protected Disclosures accepted and/ or rejected, and number of Protected Disclosures resolved and/ or pending under the Policy.

Further, the details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee shall be disclosed in the section on corporate governance in the annual report of the Company.

7.3 Company's powers

The Company reserves the right to amend or modify the Policy, in whole or in part, at any time without assigning any reason whatsoever. The Policy and any subsequent amendments thereof shall be communicated to all concerned within seven (7) working days of its approval by the Board and also updated on the website of the Company, in compliance with the prescribed norms. While the Company has made the best efforts to define detailed procedures for implementation of the Policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the Policy. The updated Policy would be shared with the employees and the other stakeholder thereafter.

8 *Review of Policy*

The Policy shall be subject to annual review in accordance with any regulatory or statutory requirement, by the Board of the Company and updated, as required, to respond to new oversight requirements

The Policy has been prepared pursuant to provisions of the Act and other applicable regulations. Any amendment or modification in the Act or any other applicable regulations shall automatically be applicable to the Company. In the event of any conflict between the provisions of the Policy and the Actor any other regulatory/ statutory enactments, the provisions of such Act or regulatory/ statutory enactments shall prevail over the Policy.

