



# Vigil Mechanism and Whistle Blower Policy

Newgen Software Technologies Ltd.

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## 1. Policy Statement:

Newgen Software Technologies Limited (“Organization”) believes in the conduct of its affairs in a fair, accountable and transparent manner and is committed to creating a culture of ‘Right Doing’ that encourages highest standards of professionalism, ethics, integrity and objectivity in individual conduct.

Section 177 of Companies Act, 2013 ( “the Act”) read with the The Companies (Meetings of Board and its Powers), 2014 (“Rules”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations) Listing Regulations, provides, as mandatory requirement, for the Company to the establishing of a Vigil Mechanism and Whistle Blower Policy for its directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. Accordingly, this Vigil Mechanism and Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism to approach the Chairman of the Audit Committee of the Company in case of an unethical behavior, actual or suspected, fraud or violation of the Company’s code of conduct.

This policy defines and lays down the process for raising concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct or ethics policy, (“**Protected Disclosure**”), the safeguards in place for the individual raising a Protected Disclosure, the roles and responsibilities of all involved and also sets the time lines for all processes to be followed. In all instances, the Organization retains the prerogative to determine when circumstances warrant an investigation and, in conformity with this policy and applicable laws and regulations, the appropriate investigative process to be employed.

## 2. Objective

Whistle Blower Policy has been established, intending to achieve the following objectives:

- Establish a single, no threat window whereby an individual, who is aware of any Protected Disclosure in the Company, is able to raise it to the appropriate channel as outlined herein below.
- Ensure appropriate investigations of the Protected Disclosure, timely institutional response & remedial action.
- Offer protection to such Individual from victimization, harassment or disciplinary proceedings.

## 3. Scope & Applicability

The policy applies to all the Associates of the Organization and its subsidiaries (Together “Company”), across all divisions and locations in India & overseas who could make a Protected Disclosure. This Policy offers appropriate protection to the Whistle Blowers from victimization, harassment or disciplinary proceedings in retaliation to his disclosure of any Protected Disclosure.

The mechanism laid down by this Policy neither releases Associates 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 or service conditions. Policy should not be a route for raising malicious or unfounded allegations against others. Cases pertaining to Prevention of Sexual Harassment & Employee Complaint Resolution Mechanism shall be processed under respective policies of the Company, even if the case is registered through Whistle Blower mechanism hereunder.

## 4. Tasks Description:

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#### 4.1.1 Reporting a Protected Disclosure:

Whistle Blower may submit Protected Disclosure to the authorities as mentioned hereunder. Whistle Blower must put his/her name to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. **Therefore, Protected Disclosures expressed anonymously will ordinarily NOT be investigated. However, Audit Committee under exceptional cases may choose to investigate an anonymous disclosure.**

It is recommended that the reporting is done in writing (English or Hindi), so as to assure a clear understanding of the issue. Such reports should be factual rather than speculative and should contain as much specific information as possible.

The Whistle-blower need not prove the concern but must demonstrate sufficient grounds for raising the concern.

Whistle-blowers 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 Chairman of the Audit Committee or the Investigators.

#### 4.1.2 Reporting Process:

The Protected Disclosure should be forwarded under a covering letter which should bear the identity of the Whistle Blower. The Protected Disclosure could be submitted through the channel mentioned below as soon as possible but not later than 30 days after becoming aware of the same.

The Protected Disclosure can be reported alongwith the information specified in Annexure-I hereto.

#### **Independent External Ombudsman**

The Organization has appointed **ARTHA ARBITRAGE CONSULTING LLP** to act as an Independent External Ombudsman under this Whistle-blower mechanism. Any Protected Disclosure can be reported to them:

- By writing to this e-mail address: [whistleblower.newgen@arthaarbitrage.com](mailto:whistleblower.newgen@arthaarbitrage.com)
- By Postal Mail/Letter to the following  
C 16, 2nd Floor, Qutab Institutional Area,  
New Delhi- 110016

Whistle Blower may, under exceptional circumstances, request the Independent External Ombudsman to report the Protected Disclosure to the Chairman of the Audit Committee.

If a Protected Disclosure is received by any executive of the Company, the same should be forwarded to the Independent External Ombudsman for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

#### **4.1.3 Process of Investigation:**

The following investigation procedure will be adhered to on receipt of the Protected Disclosure:

4.1.3.1 In the event of any Protected Disclosure received by the Independent External Ombudsman, it shall be determined whether the disclosure actually pertains to a Protected Disclosure normally within 15 days of receipt of the Protected Disclosure.

4.1.3.2 The Independent External Ombudsman shall report all such Protected Disclosures to the Chairman of the Audit Committee with a recommendation as to whether such Protected Disclosure merits further investigation or not.

Provided that Independent External Ombudsman shall report all such Protected Disclosure received against CEO or Chairman or Director of Chief Financial Officer or Sr. VP and above (hereinafter referred as "C" level officer) to the Chairman of Board and the Chairman of Audit Committee with a recommendation as to whether such Protected Disclosure merits further investigation or not.

Company Secretary shall obtain a quarterly report of all Protected Disclosures from Independent External Ombudsman and shall submit the same to the Audit Committee.

If prima facie it is established that the Protected Disclosure warrants further investigation the Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation. If it is determined that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.

4.1.3.4 The involved parties (including subject), shall be provided sufficient and fair opportunity to prove/justify his/her case, including individual hearing as may be required, and shall ensure complete fairness in the process of investigation.

Subjects shall have a duty to co-operate with the 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.

4.1.3.5 The identity of a subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

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

4.1.3.7 Subjects have a right to be informed of the outcome of the investigation.

#### **4.1.4 Reporting**

4.1.4.1 A quarterly report with all the complaints received under the Policy and their outcome including action taken, shall be placed before the Audit Committee and the Board.

4.1.4.2 The Audit Committee shall give its recommendations to the Organization on the Disciplinary Actions to be taken.

**4.1.5 Remedies & Discipline:**

4.1.5.1 If it is established that an unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy has occurred, on the basis of the recommendations submitted by the Audit Committee, the Organization may take any of the following actions as deemed fit to it.

- a) To reprimand, take Disciplinary Action, impose penalty/punishment or order recovery
- b) To terminate or suspend any contract or arrangement or transaction vitiated by such unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. .

Any individual or identity found guilty of wrong doing will be subject to Disciplinary Action up to and including termination of employment or legal action, based on severity.

4.1.5.2 During the investigation period or at any time thereafter, if any individual or identity is found to be:

- Retaliating against the complainant,
- Coaching witnesses or,
- Tampering with evidence,

Then it could lead to Disciplinary Action including termination of employment and/or legal proceedings, as deemed fit.

**4.1.6 Malicious and Frivolous Complaints**

False, Trivial, Malicious or Vexatious allegations must not be made and do not qualify for protection under the Whistle blower Policy. In case, the Audit Committee concludes that the Protected Disclosure has been made malafide and is a false accusation or is an abuse of policy, then appropriate action against the individual or entity making the disclosure will be taken. In case of repeated frivolous complaints being filed by an individual, the Company shall take Disciplinary Action up to and including termination of employment or legal action, based on severity, in accordance with Company rules, policies and procedures.

**4.1.7 Whistle - Blower Protection:**

The Organisation will use best efforts to protect Whistle-blowers against retaliation, as described below.

4.1.7.1 The Organisation will keep the whistle-blower's identity confidential, unless:

- The individual agrees to be identified;
- Identification is necessary to allow the Organisation or law enforcement officials to investigate or respond effectively to the report;
- Identification is required by law; or
- The individual accused of compliance violations is entitled to the information as a matter of legal right in disciplinary proceedings.

**4.1.7.2** The Organisation, the Whistle Blower, the Subject, and every other person involved in the process shall:

- maintain complete confidentiality/secretcy of the matter;
- not discuss the matter in any informal/social gatherings/meetings;
- not keep the papers unattended anywhere at any time;
- keep the electronic mails/files under password.

#### **4.1.8 Notification**

The new Employees/Directors of the Company shall be informed about the policy by HR via the new Joinee induction. This policy as amended from time to time shall be posted on the website of the Company.

#### **4.1.9 Annual Affirmation**

The Company shall annually affirm that it has not denied any person access to the Audit Committee and that it has provided protection to Whistle Blower from adverse personal action, wherever applicable. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

#### **4.1.10 Retention of documents**

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

#### **4.1.11 General**

All In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

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.

#### **4.1.12 Review & Amendment**

The Audit Committee shall review the working of the Whistle Blower Mechanism on periodic intervals and shall take appropriate steps as deemed fit by it.

Board of Directors 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 and directors unless the same is notified to the employees and directors in writing.

#### **4.1.13 Definitions**

- *Associate(s): Directors, Employees, Customers, Vendors, Contractors, Contractors' employees, Clients, Internal or External Auditors or other third parties or anybody engaged through any other service mode with the Company, across all divisions and locations in India & overseas who could make a Protected Disclosure.*
- *Whistle-blower:* A person or entity making a disclosure of any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy that they have observed. Whistle-blowers could be directors, employees' contractors, contractor's employees, clients, vendors, internal or external auditors, law enforcement/regulatory agencies or other third parties.

## Whistle-blower Policy

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- *Subject:* A person or group of persons against or in relation to whom a Protected Disclosure is made by the Whistle-blower.
- *Ombudsman:* Any agency / individual / department appointed to independently carry out an initial investigation of the Complaints lodged by the Associates.
- *Audit Committee:* The Audit Committee constituted by the Board of Directors of the Company in accordance with applicable law.
- *Protected Disclosure:* The reporting by a Whistle-blower of any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy to Ombudsman or the Chairman of Audit Committee , as defined above, would constitute a Protected Disclosure also termed as a "Complaint".
- *Disciplinary Action:* Any action that can be taken on the completion of/ during the investigation proceedings including but not limited to a warning, imposition of fine, suspension / termination from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- Terms that have not been defined in this Policy shall have the meaning assigned to them in the Companies Act, 2013, SEBI Act and/or any other SEBI Regulations as amended from time to time.

**Contents of Written Complaint/Email**

**1) Company:**

- (i). Name of the Company;
- (ii). Name of the Unit, Branch or section where the improper conduct has occurred.
- (iii). Address of the Unit, Branch or section.
- (iv). Name of the Manager, supervisor of the Unit, Branch or section.

**2) Respondent (Person committing improper conduct):**

- (i). Full name of person (s) involved.
- (ii). Complete details of the Person (s) involved.

**3) Improper Conduct:**

- (i). Description of the alleged conduct or behavior;
- (ii). Time and duration of alleged conduct or behavior;
- (iii). Name of witness to the conduct or behavior, if any;
- (iv). Physical evidence to support the allegation, if any.

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