

# UPSURGE INVESTMENT AND FINANCE LIMITED

## WHISTLE BLOWER POLICY / VIGIL MECHANISM

### 1. BACKGROUND

1. As per Section 177 of the Companies Act, 2013, inter alia, every listed company is required to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

2. As per Regulation 22 of the SEBI (LODR) Regulation, 2015 between listed companies and the stock exchanges inter alia, provides for establishment of a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct (formulate by the Company for all its Directors and senior management personnel) or Company's Ethics Policy' (applicable to all its Director and employees)

3. Under these circumstances, UPSURGE INVESTMENT AND FINANCE LIMITED proposes to establish a Whistle Blower (vigil) mechanism and to formulate a whistle blower policy.

4. As per Rule 7 of The Companies (Meeting of Board and its Powers) Rules, 2014, the Audit Committee of the Company shall oversee the vigil mechanism as laid down in this Policy

### 2. POLICY OBJECTIVES

1. A Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

2. This neither releases employees 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 OF THE POLICY

This Policy covers malpractices and events which have taken place/suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, 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 affected and formally reported by whistle blowers concerning its employees.

### 4. DEFINITIONS

1. **"Alleged wrongful conduct"** shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

2. **"Audit Committee"** means a Committee constituted by the Board of Directors of the Company in accordance with provisions of Regulation 18 of the SEBI (LODR) Regulation, 2015.

3. **"Board"** means the Board of Directors of the Company.

4. **“Company”** means UPSURGE INVESTMENT AND FINANCE LIMITED
5. **“Employee”** means all the present employees, Managing Director and Whole- time Director(s) of the Company.
6. **“Nodal Officer”** means an officer of the Company nominated by the Managing Director (MD) to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the result thereof.
7. **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation/conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
8. **“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.
9. **“Whistle Blower”** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

## 5. ELIGIBILITY

All Directors/Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## 6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

1. Protected Disclosures should be reported in writing by the complainant as soon as possible after the whistle blower becomes aware of the same 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 in Regional language.
2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the whistle blower policy”. If the complaint is not super scribed and closed as mentioned above it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the nodal officer will not issue any acknowledgement to the complainant and the complainants are advised neither to write the name /address of the complainant on the envelope nor to enter into any further correspondence with the nodal officer/audit committee. The audit committee assures that in case any further clarification is required he will get in touch with the complainant.
3. Anonymous/Pseudonymous disclosure shall not be entertained by the Nodal Officer.
4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Nodal Officer/MD/Chairman of Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.
5. All Protected Disclosures should be addressed to the Nodal Officer of the Company.
6. Protected Disclosure against the Nodal Officer should be addressed to the Managing Director (MD) of the Company and the Protected Disclosure against the MD of the Company should be addressed to the Chairman of the Audit Committee.
7. On receipt of the protected disclosure the Nodal Officer / MD / Chairman of the Audit Committee shall make a record of the Protected Disclosure and also ascertain from the complainant whether he

was the person who made the protected disclosure or not before referring the matter to the Audit Committee of Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by nodal officer/ MD for processing the complaint.
- e) Findings of the Audit Committee;
- f) The recommendations of the Audit Committee/other action(s).

8. The Audit Committee if deems fit may call for further information or particulars from the complainant.

## **7. INVESTIGATION**

1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee (AC) may investigate and may at its discretion consider involving any other Officer of the Company including Vigilance and Security Superintendent of the Company for the purpose of investigation.

2. The decision to conduct an investigation taken AC is by itself not an accusation and is to be treated as a neutral fact finding process.

3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

4. Subject(s) shall have a duty to co-operate with the AC or any of the Officers appointed by it in this regard to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.

5. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

6. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

7. Subject(s) have a right to be informed of the outcome of the investigations.

8. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the AC deems fit and as applicable.

## **8. DECISION AND REPORTING**

1. Audit Committee along with its recommendations will report its findings to the Managing Director through the nodal officer within 15 days of receipt of report for further action as deemed fit. In case prima facie case exists against the subject, then the Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.

2. In case the subject is a nodal officer of the Company, the protected disclosure shall be addressed to the Managing Director who, after examining the protected disclosure shall forward the matter to the audit committee. The audit committee after providing an opportunity to the subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the MD. After considering the report and recommendation as aforesaid, MD shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Audit Committee, the Nodal Officer the complainant and the subject.

3. In case the Subject is the MD of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the Protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

4. If the report of investigation is not to the satisfaction of the complainant, the complainant has been right to report the event to the appropriate legal or investigating agency.

5. A complainant who makes false allegations of unethical & improper practices or about wrongful conduct of the subject to the nodal officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## **9. SECRECY/CONFIDENTIALITY**

1. The complainant, Nodal officer, Members of Audit committee, the Subject and everybody involved in the process shall:

- a. Maintain confidentiality of all matters under this Policy
- b. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- c. Not keep the papers unattended anywhere at any time
- d. Keep the electronic mails / files under password.

## **10. PROTECTION**

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 Blowers. Complete protection will, therefore, be given to Whistle Blowers 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 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.

2. A Whistle Blower 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.

3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his 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. The identity of the Whistleblower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. In case of repeated frivolous complaints being filed by a Director or an employee, the audit committee may take suitable action against the concerned Director or employee including reprimand. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

#### **11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

#### **12. COMMUNICATION**

A whistle blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the web site of the company.

#### **13. RETENTION OF DOCUMENTS**

All Protected disclosures documented along with the results of Investigation relating thereto, shall be retained by the Nodal Officer for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

#### **14. ADMINISTRATION AND REVIEW OF THE POLICY.**

The Managing Director shall be responsible for the administration, interpretation, application and review of this policy. The Managing Director also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

#### **15. 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 Employee and Director unless the same is notified to them in writing.