



# **CLIX FINANCE INDIA UNLIMITED**

**(FORMERLY KNOWN AS GE CAPITAL SERVICES INDIA)**

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Issued by: Compliance

Approved by: Board

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## I. PREAMBLE:

Clix Finance India Unlimited (Formerly known as GE Capital Services India) (the “**Company**”), has adopted several Compliance related policies which require Directors, Officers and Employees to observe high standard of business and personal ethics in conduct of their duties and responsibilities. As Employees/Directors/Officers and representatives of the Company, they must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. The Company encourages an open, ethical and compliant culture and welcomes employees sharing their genuine concerns regarding risks, wrong doing or non-compliance to help achieve this aim.

The Companies Act, 2013 requires the Company to establish a vigil mechanism for Directors and Employees to report genuine concerns. It has also been prescribed that the vigil mechanism should also provide for adequate safeguards against victimization of persons who use such mechanism and should have provisions for direct access to the Chairperson of the Audit Committee in exceptional cases.

This Vigil Mechanism / Whistle Blower Policy is framed in context of these statutory requirements and to put in place an appropriate framework for this purpose. Earlier, this policy was part of the GE Ombuds and Open Reporting Program which provides the process by which concerns can be raised and addressed.

## II. OBJECTIVE / PURPOSE:

The objective of this policy is to provide an environment where every employee feels empowered to raise concerns regarding any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, any unethical practice/non-compliance, etc. without fear of punishment or unfair treatment.

This Policy governs reporting and investigation of allegations of suspected irregularities within the Company and assures protection to the Employees/Directors/Officers raising a concern about such irregularities from any negative consequences.

This Policy shall supplement the Company’s other policies in force relating to reporting of concerns.

## III. DEFINITIONS:

- (i) “**Act**” means Companies Act, 2013 and rules made thereunder, as amended.
- (ii) “**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Companies Act, 2013
- (iii) “**Board**” means the Board of Directors of the Company.
- (iv) “**Employee**” means every employee of the Company including a trainee and persons on contract (whether working in India or abroad).
- (v) “**Compliance Officer**” means the VP-Compliance.

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(vi) “**Investigators**” mean those persons authorized, appointed, consulted or approached by the Compliance Officer/Chairman of the Audit Committee and the police.

(vii) “**Whistle Blower**” means an Employee/ Directors on Board of the Company or Officers in the employment of the Company raising a concern/allegation under this Policy.

#### IV. THE POLICY:

##### (A) Raising a Concern:

1. If any Employee/Director or Officer of the Company observes malpractices or events mentioned herein below he/she may without any fear of retribution raise a concern in this regard:

##### Malpractices and events:

- a. Breach of Compliance Policy or any other Policies of the Company.
  - b. Abuse of authority including but not limited to, discrimination, harassment, conflict of interest (abuse or wrongful non-disclosure), transactions with related parties (abuse or wrongful non-disclosure) or illegal payments.
  - c. Manipulation of Company data/records.
  - d. Financial irregularities, including fraud, or suspected fraud.
  - e. Deliberate violation of law/regulation.
  - f. Breach of contracts.
  - g. Negligence causing substantial and specific danger to public health and safety.
  - h. Criminal offence.
  - i. Any other unethical, biased, favors or imprudent event.
2. All concerns/allegations should be addressed to the Compliance Officer of the Company for investigation. The contact details of the Compliance Officer are:

Email: [prakash.shetty@clix.capital](mailto:prakash.shetty@clix.capital)

Internal courier addressing to: The Compliance Officer,

3. In exceptional circumstances, the complaint may be sent to the Chairperson of the Audit Committee. The contact details of Chairperson of the Audit Committee are:

Email: [pramod.bhasin@clix.capital](mailto:pramod.bhasin@clix.capital)

Internal courier addressing to: Chairman of the Audit Committee

4. The concern/allegation 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. Alternatively, concern / allegation can also be reported by phone.

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5. The concern / allegation should be forwarded under a covering letter which may or may not bear the identity of the Whistle Blower for the purpose of providing protection to the Whistle Blower. The Compliance Officer or other recipient of the concern / allegation, as the case may be, shall detach the covering letter and forward only the concern / allegation to the **Compliance Committee/Enterprise Risk Management Committee** for further action on the complaint. In case, the Whistle Blower does not intend to avail protection, he/she may choose not to reveal his/her identity.
6. The concern / allegation 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. Where possible, the report should describe the nature of the suspected violation; reasons for believing there is a serious wrong-doing; the identities of persons involved in the suspected violation; whether matter has already been reported and if so to whom and the outcome; a description of documents that relate to the suspected violation; who to contact for more information and the time frame during which the suspected violation occurred. Where the Whistle Blower has not reported anonymously, he/she may be contacted for further information.
7. All allegations received shall be enquired into under the supervision of the **Compliance Committee/Enterprise Risk Management Committee** and reported to the Audit Committee.
8. The **Compliance Committee/Enterprise Risk Management Committee** shall review the concern / allegation, decide on enquiries / investigation to be made in the preliminary stage to validate and assess the allegation, identify the person(s) who shall carry this out and in what time frame. The Compliance Committee/Enterprise Risk Management Committee shall consider the findings of the preliminary enquiries / investigations and recommend future course of action.

**(B) Investigation Process**

The decision to make enquiries or conduct an investigation is not an accusation and shall be done as a neutral fact finding process and with all reasonable efforts to maintain confidentiality. The outcome of the investigation may or may not support a conclusion that an unethical act was committed and, if so, by whom.

All concerns/allegations reported under this Policy will be promptly and thoroughly investigated in accordance with the following guidelines:

1. The identity of the Whistle Blower should be maintained in confidence to the extent possible given the legitimate needs of law and fairness in investigation.
2. On receipt of complaint, the Compliance Officer will inform the Compliance Committee / Enterprise Risk Management Committee and take other necessary action to convene a meeting of the Compliance Committee / Enterprise Risk Management Committee to address the complaint.
3. In case any member of the Compliance Committee / Enterprise Risk Management Committee is travelling, other members will hold the meeting provided that at least two members are physically present. Other member(s) may participate by teleconference.

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4. The Compliance Committee/Enterprise Risk Management Committee members shall make an assessment, or decide on enquiries/ investigation to be made in the preliminary stage to validate and assess the allegation, identifying the person(s) who shall carry this out.
5. The Compliance Committee/Enterprise Risk Management Committee shall continue to monitor the enquiries/investigation, using such internal or external resources as considered appropriate, and shall also consider the outcome of such enquiries/investigations, making recommendations for final resolution/closure/action to the Audit Committee. The Compliance Committee/Enterprise Risk Management Committee shall keep the Chairperson of the Audit Committee informed on a regular basis.
6. The Company reserves the right, and may have a legal obligation, to refer any concerns or complaints regarding malpractices to appropriate external regulatory or statutory authorities.
7. For certain matters, such as allegations of material frauds or misstatements in the accounts, the Chief Financial Officer or the Chairperson of the Audit Committee may inform and consult the statutory auditors at the appropriate stage, if required.
8. If the Whistle Blower has revealed his/her identity, the Compliance Committee/Enterprise Risk Management Committee through nominated/appointed investigators shall hear the Whistle Blower and record her/his allegations and their basis.
9. No investigation shall arrive at an adverse finding against anybody without giving them a full and fair opportunity to be heard and to present evidence in their defense. No allegation of wrong doing against a Staff Member/Director/Officer shall be considered sustained unless at a minimum, a preponderance of the evidence supports the allegation. This does not however limit in any way the Company's right to hand over an investigation to an appropriate regulatory/statutory authority where this is deemed appropriate.
10. All Employees/Directors/Officers have a duty to cooperate in the investigation of concerns/allegations reported and shall be subject to strict disciplinary action up to and including immediate dismissal, if they fail to cooperate in an investigation, or deliberately provide false information during an investigation.
11. Each enquiry/investigation shall be completed by the nominated/appointed investigators as soon as is reasonably possible, ordinarily at an average of 45 days from the receipt of concern/allegation.
12. If, at the conclusion of its investigation, the Company determines that a violation has occurred or the allegations are substantiated, the Company will take remedial / disciplinary action as the case may be. The Company will take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made.
13. All complaints received during a quarter shall be reported to the Compliance Committee/Enterprise Risk Management Committee and thereafter to the Audit Committee in its ensuing meeting.

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- 14. Employees/Directors/Officers have a responsibility not to interfere with the investigation and to adhere to admonitions from investigators in this regard. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached or intimidated.

**(C) Remedies & Discipline:**

If the Audit Committee determines that a non-compliance has occurred or a Malpractice is proved, it will take the following action to correct it:

- 1. Any person found guilty under investigation will be subjected to disciplinary action up to and including termination of employment.
- 2. During the investigation period or at any time thereafter, if any Employees/Director/Officer is found to be (a) retaliating against the Whistle Blower, (b) coaching witnesses, or (c) tampering with evidence, then it would lead to severe disciplinary action including termination of employment.

**(D) Management Action on False Disclosures**

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, an employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, in accordance with Company’s policies.

**(E) Confidentiality & Protection:**

The issues raised by the Whistle Blowers shall be kept confidential by the Compliance Committee/Enterprise Risk Management Committee and the enquiry team. No action shall be taken against an Employee/Director/Officer who makes any disclosure in good faith.

**(F) The Whistle Blower of a concern/allegation shall be entitled to the following protections:**

- (i) To the extent possible within the limitations of the law and requirements of the investigation, the identity of the Whistle Blower shall be kept confidential by the Compliance Committee/Enterprise Risk Management Committee, investigator(s) and the Audit Committee and shall not be disclosed unless such disclosure is necessary for proper investigation. Any such disclosure, if made, for the purpose of a proper investigation shall carry with it a caveat of secrecy and non-disclosure by the recipient, so that any further unauthorized disclosure by such person of the identity of the Whistle Blower shall constitute a breach on part of such person; and
- (ii) Protection of the Whistle Blower against victimization. The Company assures that any genuine Whistle Blower shall not be victimized and has set up appropriate processes to ensure this.

**V. DOCUMENT RETENTION**

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

**VI. DISCLOSURE**

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The Company shall disclose this policy on its website and the web-link for the policy shall be provided in the Annual Report.

## **VII. AMENDMENTS TO THE POLICY**

The Board shall review and may amend this Policy from time to time.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Act, notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. 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(s), circular(s), etc.

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