



Growth, Wealth, Success

U. Y. Fincorp Limited

(Formerly Known as Golden Goenka Fincorp Limited)

VIGIL MECHANISM/WHISTLE BLOWER POLICY

This “ **VIGIL MECHANISM/WHISTLE BLOWER POLICY** ” has been adopted by the Board of Directors of the Company at its meeting held on 28th March, 2019 and supersedes the earlier policy approved by the Board of Directors at their meeting held on 12th November, 2014.

I. PREAMBLE

Section 177(9) of the Companies Act, 2013 effective from April 1, 2014 and Regulation 22 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 effective from December 2, 2015, inter alia, provides for a mandatory requirement for all listed companies to establish a vigil mechanism hereinafter called ‘Vigil Mechanism/Whistle Blower Policy’ for directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company’s code of conduct or ethics policy.

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. Towards this end, this policy is formulated to provide opportunity to employees and Directors to access in good faith, to the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees.

II. DEFINITIONS

“**Adverse Personnel Action**” means an employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee’s employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.

“**Alleged Wrongful Conduct**” shall mean violation of law, infringement of Company’s Code of Conduct or ethic policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

“**Audit Committee**” shall mean a Committee of Board of Directors of the Company, constituted in accordance with provisions of Section 177 of Companies Act, 2013 read Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

“**Company**” means, “U. Y. Fincorp Limited.”

“**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.

“**Employee**” means every employee of the Company, including the Directors of the Company.

“**Good Faith**” shall mean an employee shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.



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“Investigators” mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of the Company and the police.

“Managerial Personnel” shall include all Executive at the level of Manager and above, who has authority to make or materially influence significant personnel decisions.

“Policy or This Policy” means, “Vigil Mechanism/Whistle Blower Policy.”

“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

“Unethical and improper practices” shall mean –

- a) An act which does not conform to approved standard of social and professional behaviour;
- b) An act which leads to unethical business practices;
- c) Improper or unethical conduct;
- d) Breach of etiquette or morally offensive behaviour, etc.

“Whistle Blower” shall mean an employee of the Company who makes Protected Disclosure under this policy.

III. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or SEBI Act and/or any other SEBI Regulation(s) as amended from time to time.

IV. SCOPE

- a) This Policy is an extension of the Code of Conduct. The Whistle Blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b) 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.
- c) Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee.

V. COVERAGE OF POLICY

- a) The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - Abuse of authority
 - Breach of contract
 - Negligence causing substantial and specific danger to public health and safety
 - Manipulation of company data/records
 - Financial irregularities, including fraud, or suspected fraud
 - Criminal offence
 - Pilferation of confidential/propriety information
 - Deliberate violation of law/regulation
 - Wastage/misappropriation of company funds/assets
 - Breach of employee Code of Conduct or Rules
 - Any other unethical, biased, favoured, imprudent event.



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- b) Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

VI. APPLICABILITY/ELIGIBILITY

This policy applies to all permanent employees and directors of the Company to make Protected Disclosure under the policy.

VII. DISQUALIFICATION

1. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment and any abuse of this protection will warrant disciplinary action.
2. Protection under this Policy would not mean protection from disciplinary action arising out of false or frivolous allegations and allegation made in retaliation by a Whistle Blower knowing it to be false or frivolous or with a mala fide intention.
3. Whistle Blowers, who make any protected disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 (three) or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

VIII. GUIDELINES

1. Internal Policy & Protection under Policy

This Policy is an internal policy on Protected Disclosure by employees of any unethical and improper practices or wrongful conduct and access to the Head of Department or in case it involves Senior Managerial Personnel access to the Managing Director and in exceptional cases access to the Chairman of Audit Committee of Directors constituted by the Board.

This Policy prohibits the Company to take any adverse personnel action against its employees for disclosing in good faith any unethical & improper practices or alleged wrongful conduct to the Head of Department or to the Managing Director or to the Audit Committee. Any employee against whom any adverse personnel action has been taken due to his Protected Disclosure of information under this policy may approach the Audit Committee. Furthermore, if any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

2. False Allegation & Legitimate Employment Action

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct to the Audit Committee shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further, this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of information by him and for legitimate reasons or cause under Company rules and policies.



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3. Disclosure & Maintenance of Confidentiality

An employee who observes or notices any unethical & improper practices or alleged wrongful conduct in the Company may make a Protected Disclosure either typed or written in English, Hindi or in the regional language of the place of employment of Whistle Blower to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to the chairman of the Audit Committee through e-mail addressed at jigneshdalal08@gmail.com or such other e mail address as may be changed and informed from time to time. The Chairman of Audit Committee may forward the Protected Disclosure to the Investigators for investigation.

Protected Disclosures 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.

4. Procedures

Any employee who observes any unethical & improper practices or alleged wrongful conduct shall make Protected Disclosure to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to the chairman of the Audit Committee as soon as possible within a reasonable time but not later than 60 consecutive calendar days after becoming aware of the same. The Chairman of the Audit Committee may relax the above time limit in deserving cases.

The Departmental Head shall immediately forward Blower Report to the Managing Director of the Company. The Managing Director may inquire in respect of the Whistle Blower Report and after preliminary inquiry, if required, shall report the same to the Audit Committee.

Audit Committee shall appropriately and expeditiously investigate all Vigil Mechanism/Whistle Blower reports received. In this regard, Audit Committee, if the circumstances so suggest, may appoint a senior executive or a committee of managerial personnel to investigate into the matter and prescribe the scope and time limit therefore.

Audit Committee shall have right to outline detailed procedure for an investigation.

Where the Audit Committee has designated a senior executive or a committee of managerial personnel for investigation, they shall mandatorily adhere to scope and procedure outlined by Audit Committee for investigation.

The Audit Committee or officer or committee of managerial personnel, as the case may be, shall have right to call for any information/ document and examination of any employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy.

A report on the protected disclosures shall be prepared after completion of investigation which inter alia may include:-

- ✓ Facts of the matter.
- ✓ Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof.
- ✓ Whether any Protected Disclosure was raised previously against the same person.
- ✓ The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
- ✓ Findings of Committee.

and the Audit Committee shall consider the same.



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After considering the report, the Audit Committee shall determine the cause of alleged Adverse Personnel action and may order for remedies which may inter-alia include:

- a) Order for an injunction to restrain continuous violation of this policy;
- b) Reinstatement of the employee to the same position or to an equivalent position;
- c) Order for compensation for lost wages, remuneration or any other benefits, etc.

The decision of Audit Committee shall be final and binding.

If and when the Audit Committee is satisfied that the alleged unethical & improper practice or wrongful conduct existed or is in existence, then the Audit Committee may –

- a) recommend to Board to reprimand, take disciplinary action, impose penalty / punishment order recovery when any alleged unethical & improper practice or wrongful conduct of any employee is proved.
- b) recommend termination or suspension of any contract or arrangement or transaction vitiated by such unethical & improper practice or wrongful conduct.

5. Notification

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department and to new employees.

This policy as amended from time to time shall be made available at the Web site of the Company.

6. Protection

- a) 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.
- b) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- c) Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

7. Secrecy/Confidentiality

The Whistle Blower and everyone involved in the process shall:

- Maintain complete confidentiality/ secrecy of the matter.
- Not discuss the matter in any informal/social gatherings/ meetings.



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- Discuss only to the extent or with the persons required for the purpose of completing the process and investigations.
- Not keep the papers unattended anywhere at any time.
- Keep the electronic mails/files under password.

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

8. Amendment

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

9. 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 three years.

10. Annual Affirmation

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to Whistle Blower from adverse personnel action.

The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company and in the Board's Report.

Date: 28.03.2019

Place: Kolkata

By order of Board

Sd/-

(Udai Kothari)

Chairman