



DIVGI TORQTRANSFER SYSTEMS LIMITED

VIGIL MECHANISM POLICY

Document Control

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1. Introduction

DIVGI TORQTRANSFER SYSTEMS LIMITED (“**Company**”), is committed to conducting business with integrity, including in accordance with all applicable laws and regulations.

As per the provisions of Section 177(9) of the Companies Act 2013 (“**Act**”) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 requires every listed company to establish a vigil mechanism for the directors and employees to report genuine concerns or grievances. Further, Rule 7 of Companies (Meetings of Board and its Powers) Rules 2014 (“**Rules**”) provides that, a Company which accept deposits from the public or the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees shall establish a vigil mechanism for directors and employees to report genuine concerns. Further, Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) provides for a mandatory requirement for all listed companies to establish a vigil mechanism for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy.

Accordingly, this Whistle Blower Policy (“the Policy”) and Vigil Mechanism as part of this Policy has been formulated with a view to provide a mechanism for directors, employees as well as other stakeholders of the Company to approach the Chairman of the Audit Committee of the Company

2. Scope

The Scope of this Policy is to provide opportunity to Whistle Blower (*defined below*) to report genuine concerns or grievances in violation of the Company’s Code of Conduct (*defined below*) to the Vigilance Committee without fear of punishment or unfair treatment with reassurance that they will be protected from victimization for reporting such genuine concerns or grievances.

This policy applies to all employees, regardless of their location. Violations will result in appropriate disciplinary action. The employees are required to familiarize themselves with this Policy, and seek advice from the HR of the Company, if any question arises.

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.

3. Definitions

Definitions of some of the key terms used in the mechanism are given below:

3.1. “Board” means the Board of Directors of the Company.

3.2. “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the provisions of Regulation 18(3) and Part C of Schedule II of the SEBI Listing Regulations

- 3.3. “Code”** means the Code of Business Conduct and Ethics for Directors and Senior Management Executives adopted by the Company.
- 3.4. “Company”** means the DIVGI TORQTRANSFER SYSTEMS LIMITED and all its offices.
- 3.5. “Employee”** means all the present employees and whole time Directors of the Company (whether working in India or abroad).
- 3.6. “Protected Disclosure”** means any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the Company. It 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.
- 3.7. “Subject”** means a person against whom or in relation to whom the Protected Disclosure is made or evidence is gathered during the course of an investigation.
- 3.8. “Vigilance & Ethics Officer”** means an officer appointed 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.
- 3.9. “Whistle blower”** is a Directors, Officers and Employees of the Company who makes a Protected Disclosure under this Policy and referred in this Policy as Complainant.

4. “Protected Disclosures”

Protected Disclosures are to be made whenever an employee becomes aware of a reportable matter. The Protected Disclosure should be made promptly upon the Employee becoming aware of the Reportable matter. Reportable matter should be made pursuant to the reporting mechanism described in Point no. 4.2 below.

The role of Whistle-blower is limited to making a Protected Disclosure. A Whistle-blower should not engage in investigations concerning a Reportable matter that is the subject of a Protected Disclosure. Neither should a Whistle blower become involved in determining the appropriate corrective action that might follow from the submission of a Protected Disclosure.

4.1. Reporting Mechanism

All 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 hand written in a legible handwriting in English or in Hindi.

The Protected Disclosures under this Policy shall be super scribed as “Confidential Disclosure under Vigil Mechanism / Whistle Blower Policy” and addressed to the contact details set out below:

- by email to companysecretary@divgi-tts.com or
- by telephone to the Vigilance & Ethics Officer Tel. No 020 27 302000 ; or
- by letter address to the Vigilance & Ethics Officer, marked "Private and Confidential" and should be delivered at Plot no. 75, General Block MIDC, Bhosari Pune MH 411026

Protected Disclosure against the Vigilance and Ethics Officer and Managing Director and in exceptional cases should be addressed to the Chairman of the Audit Committee.

The details are as follows:

- by email to: or innoven.consult@gmail.com
- by letter address to the Chairman, marked "Private and Confidential" and should be delivered at Pradip Vasant Dubhashi- B-29, Pashan Road, B U Bhandari Showroom, Abhimanshree Society, Pune 411008

4.2. Reporting Matter

- It is important for the Company that proper information is provided by the Whistle-blower.
- Reportable matter means –
 - Fraudulent practices, such as improperly tampering with the Company’s books and records, or theft of Company’ s property;
 - Corruption, bribery or money laundering;
 - Breaches of Code of Conduct

*Any complaints concerning personal grievances, such as professional development issue of employee compensation shall not be considered as reportable matter.

- To the extent possible the following information should be provided by the Whistle-blower:
 - The nature of the reporting matter
 - The name of the employee to which the reporting matter relates
 - The relevant factual ground concerning the reporting matter

5. Protection of Whistle-blower

5.1. 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 practices 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.

- 5.2. If a Whistle-blower does provide his or her name when making a Protected Disclosure, the Company will treat the identity of Whistle-blower as confidential.
- 5.3. A Whistle-blower shall make the disclosure without any fear or coercion.
- 5.4. Any false statement or disclosure made by Whistle-blower and has found to be made deliberately false by whistle-blower shall be subject to disciplinary action, which may lead to dismissal.

6. Disqualifications

- a. While it will be ensured that genuine Whistle-blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower, knowing it to be false or bogus, or with a mala fide intent.
- c. Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblowers, the Audit Committee would reserve its right to take/recommend appropriate disciplinary action, which could include reprimand.

7. Role of Vigilance & Ethics Officer

All Protected Disclosures under this Policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/Committee constituted for the same/an outside agency before referring the matter to the Board of Directors of the Company.

The Vigilance & Ethics Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within 7 days.

The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure and is extendable by such period as the Vigilance & Ethics Officer deems fit.

Any member of the Board of Directors or other officer having any conflict of interest with the matter shall disclose his/her concern/interest forthwith and shall not deal with the matter.

8. Investigation

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

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.

Subject(s) shall have a duty to co-operate with the Audit Committee or any of the officers appointed by it in this regard.

Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer/Investigators and/or members of the Audit Committee and/or the Whistle Blower.

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 Subjects(s).

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 complaint against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

9. Decision and Reporting

If an investigation leads the Vigilance and Ethics Officer/Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer/Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as they may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

10. Secrecy/Confidentiality

The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

Maintain confidentiality of all matters under this Policy

Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

Not keep the papers unattended anywhere at any time

Keep the electronic mails/files under password.

11. 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 period of seven (7) years or such other period as specified by any other law in force, whichever is more.

12. 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 Directors, Officers and employees unless the same is not communicated in the manner described as above.

13. Disclosure

The Company shall disclose its vigil mechanism and this Policy on its website.

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.