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## **INFRONICS SYSTEMS LIMITED**

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### **Vigil Mechanism/Whistle Blower Policy**

**Introduction:**

Section 177(9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism:-

- i) Every listed company
- ii) Every other company which accepts deposits from the public
- iii) Every company which has borrowed money from banks and public financial institutions in excess of Rupees Fifty Crore.

The Vigil Mechanism/Whistle Blower Policy is formulated for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud, violation of the Company's Code of Conduct for Directors and Senior Management Personnel, to act as a deterrent to malpractices, encourage openness, promote transparency & protect the reputation of the Company.

This policy defines and lays down the process for raising a 'protected disclosure', the safeguards in place for the individual (Including Subject); the roles and responsibilities of all involved and also set the time lines for all processes to be followed. In all instances, The Audit Committee will initiate an appropriate investigative process to address such issues in conformity with this policy and applicable laws and regulations.

**Policy Objective:**

**Infronics Systems Limited** (the "Company"), through this Vigil Mechanism/Whistle Blower Policy, seeks to encourage its Directors and Employees to report in good faith any unethical behavior, improper, illegal or questionable acts, deeds, suspected or actual frauds, or activities detrimental to the interests of the Company. This policy aims to deter malpractices, encourage openness, promote transparency, and protect the reputation and integrity of the Company by defining a structured process for raising protected disclosures, outlining safeguards for individuals involved (including the Subject), specifying the roles and responsibilities of all parties, and establishing timelines for investigations and resolution by the Audit Committee in compliance with applicable laws and regulations. The unethical, improper and illegal activities inter-alia includes but not limited to -

1. An act of omission, commission, concealment, misrepresentation which necessarily are in violation of applicable laws, rules and regulations of the Company, Memorandum and Articles of Association of the Company and against the accepted principles jeopardizing the interest and growth of the Company.
2. Misuse or diversion of the Company's funds, property and man power.
3. Intentional financial irregularities, including fraud or suspected frauds
4. Unnecessary sharing/ Leaking of unpublished price sensitive information
5. Manipulation of Company data/records.
6. Gross or willful negligence causing substantial and specific danger to health, safety and environment.
7. Any act, deed or thing which goes against the interest of the Company.

*Please note - Any complaints concerning personal grievances, including but not limited to professional development issues or Employee compensation, are not Reportable Matters for purposes of this Policy.*

**Definitions:**

The definitions of some of the key terms used in this Policy are given below:

- (a) **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company.
- (b) **“Board”** means Board of Directors of the Company.
- (c) **“Confidential Information”** means any disclosure, made in good faith under this Policy, which shall be kept in strict custody by the Company and shared only on a need-to-know basis or as required under law.
- (d) **“Director”** means every director of the Company.
- (e) **“Employee”** means every permanent employee and regular employee of the Company whether working in India or abroad, including the directors in the employment of the Company.
- (f) **“Investigators”** means person(s)/Entity authorized, appointed, consulted or approached by the Chairperson-Audit committee.
- (g) **“Perceived Wrongdoings”** means possible inappropriateness, malpractice, breach or violation within the Company related to financial reporting, employment practices, code of conduct, or any other such activity that may malign the reputation or cause any potential threat to the Company.
- (h) **“Protected Disclosure”** means any communication made in good faith that discloses or reports of any perceived wrong doing that may evidence unethical or improper activity.
- (i) **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- (j) **“Whistle Blower”** means an Employee or Director making a Protected Disclosure under this Policy.

**Eligibility:**

This Policy is applicable to:

- The Directors;
- The regular or permanent employees;
- Partners, 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.

Any of the above-mentioned could make a protected disclosure.

**Reporting a protected Disclosure:**

Individuals may submit protected disclosure anonymously. However, it is recommended that the reporting is done in writing (English, Hindi or in the regional language of the place of employment), so as to assure a clear understanding of the issue. Such a disclosure should be factual rather than speculative and should contain as much specific information as possible, to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures. The Whistle-Blower need not prove the concern but must demonstrate enough ground for raising the concern. Also the Whistle-blower should not determine the appropriate corrective or remedial action that may be warranted in a given case. Any such disclosure made will be treated as confidential information.

The Whistle-Blower should refrain from obtaining evidence for which s/he does not have a right of access and no Company’s support shall be extended to the Whistle-Blower for having obtained any information illegally.

**Reporting Process:**

The Protected Disclosure in a covering letter which may bear the identity of the whistle-blower, as decided by the whistle-blower, can be mailed at [deepthi.konakanchi01@gmail.com](mailto:deepthi.konakanchi01@gmail.com). The Chairperson of the Audit-Committee, as the case may be, shall detach the covering letter and forward only the protected disclosure to the investigators for investigation. The protected disclosure could be submitted through any of the channels mentioned below: -

All protected disclosures should be addressed directly to Ms. Deepthi Konakanchi, Chairperson of Audit committee:

- A. Email:-
- B. Courier /Post:-

*If a protected disclosure is received by any executive of the Company other than Chairperson of the Audit Committee, as defined above; the same should be forwarded to the Chairperson of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle-blower confidential.*

**Process of Investigation:**

The Following Investigation procedure will be adhered to on receipt of the protected disclosure.

- In the event of any protected disclosure received by the abovementioned authority, it shall be determined whether the disclosure actually pertains to an unethical activity normally within 30 days of receipt of the disclosure. If the disclosure is against any member of the Audit committee; such member shall not participate in the proceedings.
- The Chairperson of the Audit committee may at its Discretion, consider involving any investigators for the purpose of investigation.
- Investigators are required to conduct a process towards fact-finding and analysis.
- Investigators shall derive their authority and access right from the Chairperson of the Audit committee when acting within the course and scope of the investigation.
- Technical and other resources may be drawn upon as necessary to augment the investigation. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- The decision to conduct an investigation taken by the Chairperson of the Audit committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle blower that an improper or unethical act was committed.
- The involved parties (Including Subject) shall be provided sufficient and fair opportunity to prove/justify his/her case, including hearing as may be required, and shall ensure complete fairness in the process of investigation.
- The identity of the Subject, will be kept confidential to the extent possible given the legitimate needs of the law and the investigation.
- The investigation shall be completed normally within 60 days of the receipt of the 'protected Disclosure'
- Subjects have a right to be informed of the outcome of the investigation. 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.

**Remedies & Discipline:**

If it is concluded that a compliance or ethical violation has occurred, on the basis of the recommendations submitted by the investigator, the Company will take the actions as may be deemed fit.

Any individual found guilty of wrong doing will be Subject to disciplinary action up to and including termination of employment or legal action, based on severity.

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

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

Then it could lead to disciplinary action including termination of employment & or legal proceedings, as deemed fit.

**Malicious and Frivolous Complaints**

In case, the investigator concludes that the protected disclosure has been made with malafide intention and is a false accusation or is an abuse of policy, then appropriate action against the Whistle Blower making the disclosure will be taken. In case of repeated frivolous complaints being filed by a Whistle Blower, the Company shall take disciplinary action up to and including termination of employment or legal action; based on severity.

**Confidentiality:**

The Whistle Blower/Complainant, Compliance Officer, Members of Audit Committee, the Subject and Investigator and every other person(s)/entity 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 and keep the papers in safe custody.

**Whistle Blower Protection:**

The Company will use efforts to protect whistle blowers against retaliation, as described below.

The Company will keep the whistle blower's identity confidential, unless:

- The individual agrees to be identified;
- 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.

**Communication:**

Directors and Employees shall be informed of the Policy by publishing the same on the notice board. The Whistle Blower Policy as adopted by the Board shall also be made available at the website of the Company.

**Record Generation/Retention**

All protected Disclosure 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, if any.

**Amendment:**

The Audit Committee shall oversee and periodically review the Whistle-Blower Policy and make necessary amendments as required.

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