



## **WHISTLE BLOWER POLICY/ VIGIL MECHANISM (Version 1.2)**

### **AGS TRANSCAT TECHNOLOGIES LIMITED (AGSTTL)**

#### **1.0 Preface**

Section 177 of the Companies Act, 2013 requires every listed and prescribed class of companies to establish a Vigil Mechanism for the Directors and Employees of the Company to report genuine concerns affecting the Company. AGS Transcat Technologies Limited ("Company"), being a prescribed Company having borrowings/loans exceeding INR 50 cr proposes to establish a Whistle Blower Policy/ Vigil Mechanism ("The Policy") for the same. The Company has already adopted a Code of Conduct for its employees including its Directors and Key Managerial Personnel in compliance with the Companies Act, 2013 ("the Code") together with Terms of reference for employees, which lays down the principles and standards that should govern the actions of the Company and its employees.

The Policy shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. Details of the Vigil Mechanism implemented through the Policy shall be disseminated to stakeholders through the Company's website & Director's Report of the Company.

#### **2.0 Objective**

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 behaviour through The Code and Terms of reference for employees. Any actual or potential violation of the Code or the Terms or the Policy, howsoever insignificant or perceived as such by the Company, would be a matter of serious concern for the Company. The role of the Employees and Directors as Whistle Blowers in pointing out such violations cannot be undermined. The Policy provides a channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code or the Terms of reference or the Policy without fear of punishment or unfair treatment.

This neither releases Employees or the Directors 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.



### 3.0 Eligibility

All Employees and Directors of the Company are eligible to make Protected Disclosures (as defined below) under the Policy in relation to matters concerning the Company. They may or may not indicate their names. In case they choose to remain anonymous, the call for further investigation can be taken by the Ethics Committee based on the details furnished which make them reasonably believe that there is an element of truth in the whistle blower's allegations.

### 4.0 Scope

- a. This Policy covers all such 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 and Directors.
- b. 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.
- c. 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 Chief Ethics - Officer or the Investigators.
- d. Protected Disclosure will be appropriately dealt with by the Chief Ethics - Officer, as the case may be.

### 5.0 Definitions

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

- a. **"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.
- b. **"Audit Committee"** means a Committee constituted by the Board of Directors of the Company in accordance with the Companies Act, 2013.



- c. **“Board/Directors”** means the Board of Directors of the Company in accordance with the Companies Act, 2013.
- d. **“Chairman of the Audit Committee”** means Chairperson of the Audit Committee duly appointed in compliance with the provisions of the Companies Act, 2013.
- e. **“Chief Ethics Officer”** means the Chief of the Ethics Committee appointed as per the terms of this policy.
- f. **“Code”** means AGS Code of Conduct for Directors and Key Managerial Personnel as per provisions of the Companies Act, 2013.
- g. **“Company”** means the AGS Transact Technologies Limited (“AGSTTL”) and its subsidiaries.
- h. **“Employee”** means a person employed at a workplace for any work on regular, temporary, ad hoc or daily wages basis, including Key Managerial Personnel, either directly or through an agent, including a contractor, with or, without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary basis or otherwise, whether the terms of employment are express or implied and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name.
- i. **“Ethics Committee”** means the Ethics Committee constituted as per the terms of this policy.
- j. **“Investigators”** mean those persons authorised appointed or consulted or approached by the Ethics Committee/Chief Ethics Officer and police if their involvement is needed.
- k. **“Policy”** refers to this document entailing the Company’s Whistle Blower/Vigil Mechanism, duly adopted by the Board.
- l. **“Protected Disclosure”** means any written communication made by an Employee or Director in good faith that discloses or demonstrates information that may evidence unethical or improper activity. 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.
- m. **“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.



- n. **“Terms of reference”** means terms of employment/rules & regulations for employees forming part of their appointment letter.
- o. **“Whistle Blower”** means an Employee or Director making a Protected Disclosure under this Policy.

## 6.0 Disqualification

- a. A Whistle Blower who makes false, malicious or malafide allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Chief Ethics Officer or the Chairman of the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.
- b. Whistle Blowers who make 3 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.

## 7.0 Procedure

- a. Every Employee or Director of the Company shall promptly report to the management any actual or possible violation of the Code or the Terms or the Policy or an event he / she becomes aware of that could affect the business or reputation of the Company.
  - i. The Employees may report the matter by writing an email to Chief Ethics – Officer. The contact details of the Chief Ethics Officer is appended below.

**Name : Mr. George Trelawney**

Email ID : [chiefethicshead@agsindia.com](mailto:chiefethicshead@agsindia.com)

Address for communication: **14<sup>th</sup> Floor, Tower 3, Indiabulls Finance Centre,  
Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400013**

In appropriate or exceptional cases, Protected Disclosures can be made/reported to the Chairman of the Audit Committee at [auditchair@agsindia.com](mailto:auditchair@agsindia.com).

- b. This Policy has been formulated with a view to provide a mechanism for Employees and Directors of the Company to approach the Chief Ethics - Officer or the Chairman of the Audit Committee of the Company in appropriate or exceptional cases.
- c. In respect of all other Protected Disclosures, those concerning the Directors, Ethics Committee members and Employees at the levels of Vice Presidents and above



should be addressed to the Chief Ethics Officer or Chairman of the Audit Committee of the Company.

- d. The MD after discussing with the Chairman of the Audit Committee will nominate the Ethics Committee Officer & its Members. The composition of the Committee shall not be gender biased. The Ethics Committee shall comprise of the Chief Ethics Officer and such number of members (*not being less than 5*) as may be appointed.
- e. The Ethics Committee constituted under this policy will be reporting to the Audit Committee of the Company.
- f. If the Subject or Whistle Blower belong to the Committee, they will not be a part of that particular meeting. An Ethics Committee meeting to take place, at least 3 members of the committee need to be physically present in order to form a valid quorum. In case of any of the member(s) being a party to the conflict under discussion, the Chief Officer of Ethics Committee will appoint adequate number of members to replace such members with consultation & consensus of other members who are not associated / related professionally to the Subject or Whistle Blower. The Chairman of the Audit Committee may also be referred to in such cases.
- g. If a Protected Disclosure is received by any Director/Executive of the Company other than Chief Ethics Officer, the same should be forwarded to the Company's Chief Ethics Officer for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential at all times.
- h. Alternatively the Protected Disclosures can be reported in writing entailing a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower addressed to the Chief Ethics Officer at the Company's Registered Office address.
- i. The written Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chief Ethics Officer, as the case may be, shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- j. 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.
- k. Anonymous / Pseudonymous disclosures shall not be entertained unless they meet the requirements at (j) above and are assessed as such by the Ethics Committee.



## 8.0 Investigation

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chief Ethics Officer before referring the exceptional cases to Audit Committee or its Chairman for further appropriate investigation and needful action .
- b. The Chief Ethics Officer may at his discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Chief Ethics Officer 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.
- d. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- e. Subjects shall have a duty to co-operate with the Chief Ethics Officer or any of the Investigators/Members of the Ethics Committee/Audit Committee Chairman during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- f. Subjects have a right to consult with a person or persons of their choice, other than the Chief Ethics Officer/Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company will reimburse such costs.
- g. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- h. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- i. 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.



- j. Investigators, if engaged are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Chief Ethics Officer/ Ethics Committee when acting within the course and scope of their investigation.
- k. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- l. Investigations will be launched by the Ethics Committee only after a preliminary review by the Chief Ethics Officer, as the case may be, which establishes that:
  - i. The alleged act constitutes an improper or unethical activity or alleged wrongful conduct, and
  - ii. The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or alleged wrongful conduct.
- m. The Chief Ethics Officer shall send a monthly report of all the Protected Disclosures received from the Whistle Blowers whether or not, investigations were initiated on the same.
- n. The Chief Ethics Officer will be required to give an update to the Audit Committee at each of their meeting about the status quo of the Protected Disclosures made by the Whistle Blowers.
- o. The Audit Committee or its Chairman if deems fit, may call for further information or particulars from the subjects.
- p. The Final record of the whole process will include:
  - i. Brief facts;
  - ii. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
  - iii. Whether the same Protected Disclosure was raised previously on the same subject;



- iv. Details of findings, and recommendations by Chief Ethics Officer/Ethics Committee/Chairman of the Audit Committee for processing the complaint/protected disclosure;
  - v. Action taken by the Management, if any.
- q. Time lines:
- a. The Chief Ethics Officer will have a timeline of five working days to review the Protected Disclosures.





- b. The Ethics Committee will have a timeline of fifteen working days to investigate the Protected Disclosures which may be extendable by the Chief Ethics Officer, if required.
- c. The Ethics Committee would submit the report to Chief Ethics Officer for his decision within thirty working days from Ethics Committee's investigation.
- d. The conclusion timeline with relevant documents presented to the Chief Ethics Officer is forty five working days. The Chief Ethics Officer will discuss with the Committee members & conclude the case by giving necessary actions for/against the subject. All the Committee members will give their votes and the final call would be taken by the Chief Ethics Officer within 24 hrs of the Ethics Committee Meeting.
- e. The Chief Ethics Officer/Audit Committee Chairman will support the investigations with such inputs as may be required.
- f. All the aforesaid timelines may be extendable by such period as the Chairman of the Audit Committee may deem fit though at any point in time shall not extend beyond ninety working days.

## **9.0 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 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.
- b. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.



- c. The identity of the Whistle Blower 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 Whistle Blower being wrongfully disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.
- d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- e. A Whistle Blower may report any violation of the above clause to the Chief Ethics Officer/Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

## **10. Decision & Reporting**

- a. If an investigation leads the Chief Ethics Officer/Chairman of the Audit Committee to conclude that an alleged wrong has been committed, they shall recommend to the management of the Company to take such disciplinary or corrective action as he 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.
- b. The Chief 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.
- c. In case the Subject is the Chairman/MD/CEO/CFO 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 at its end.

## **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 minimum period of seven years or such other period as specified by any other law in force, whichever is more.

## **12. 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.

### **13. Administration and Review of the Policy**

The Ethics Committee shall be responsible for the administration, interpretation, application and review of this policy. The Board (including any of its Committee who has been delegated such powers) shall be empowered to bring about necessary changes to this Policy, if required at any stage.

### **14. Annual Affirmation**

The Company shall annually affirm that it has provided protection to the Whistle Blower from unfair adverse personal action.