

## Revised Vigil Mechanism / Whistle Blower Policy

### **I Introduction**

- (a) IL&FS Education & Technology Services Limited (“IL&FS Education”) and its subsidiaries (collectively addressed as the “Company”) are committed to complying with the domestic and foreign laws that apply to them, particularly ensuring that the business is conducted with integrity and that the Company’s financial information is accurate
  
- (b) 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. Towards this end, the Company has adopted the Code of Conduct (“the Code”) which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states:

#### ***“XXII. Reporting Violations***

- (a) *Responsibility to Report Violations of the Code and Law:*  
  
*The Covered Persons should promptly report any actual or apparent violations of this Code. Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law*
  
- (b) *The Company is committed to developing a culture where it is safe for all Employees to raise concerns about any poor or unacceptable practice and any event of misconduct”*
  
- (c) Section 177(9) of the Companies Act, 2013 (Act) provides for the institution of the Vigil and Whistle Blowing Mechanism in the specified companies, for employees and Directors to report to the Management instances of unethical behaviour, actual or suspected, fraud or violation of the Company’s Code of Conduct, in turn to be monitored by the Audit Committee

- (d) Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees and Directors of the Company to approach the designated Ombudsperson and/or the Chairman of the Audit Committee of the Company to report unethical behaviour, actual or suspected, fraud or violation of the Company’s Code of Conduct and matters specified in this Policy
- (e) The Policy protects employees, Directors as well as Anonymous Whistle Blowers wishing to raise a concern about serious irregularities within the Company
- (f) The Policy neither releases employees and Directors from their duty of confidentiality in the course of discharging their duties, nor is it a route for taking up a grievance about a personal situation

## **II Policy:**

- (a) This Policy is for the benefit of the Employees and the Directors as defined hereinafter
- (b) The Policy has been drawn up so that Employees and Directors can be confident about raising a concern

## **III Definitions:**

The definitions of some of the key terms used in this Policy are given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code

- (a) **Audit Committee** : means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013
- (b) **Director** : means a person appointed as the Director on the Board of Directors of the Company

- (c) **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 the official duties or any such action as is deemed to be fit considering the gravity of the matter
- (d) **Employee**: means every employee of the Company (whether working in India or abroad), including the expatriates stationed in India and persons engaged on contract
- (e) **Code** : means the Code of Conduct
- (f) **Investigator**: mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee and includes the Statutory and/or Internal Auditors of the Company and the Police
- (g) **Ombudsperson**: will be a Non-Executive Director / Executive Director / Head of Human Resource (HR) / Company Secretary for the purpose of receiving all the complaints under this Policy and ensuring appropriate action. In the first instance, the Board shall appoint this Ombudsperson. The Board/Audit Committee shall have the authority to change the Ombudsperson from time to time
- (h) **Protected Disclosure** : means any written or anonymous communication (including email) made in good faith that discloses or demonstrates information 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, a Director and / or any Anonymous Whistle Blower making a Protected Disclosure under this Policy.

#### **IV Guiding Principles:**

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- (a) Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;

- (b) Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- (c) Ensure complete confidentiality;
- (d) Not attempt to conceal evidence of the Protected Disclosure;
- (e) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- (f) Provide an opportunity of being heard to the persons involved especially to the Subject

**V Scope :**

- (a) This Policy is an extension of the IL&FS Education 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 Ethics Counsellor or the Chairman of the Audit Committee, as the case may be
- (d) The Policy covers malpractices and events which have taken place/suspected to take place involving:
  - (i) Abuse of authority for personal gain or obtaining undue advantage or to prevent or deprive another of its rights or to the detriment of the Company
  - (ii) Negligence causing substantial and specific danger to public health and safety
  - (iii) Manipulation / unauthorized use or disposal of company data/records
  - (iv) Financial irregularities, including fraud, or suspected fraud

- (v) Criminal offence
  - (vi) Pilferation of goods, property, confidential/proprietary information
  - (vii) Deliberate violation of law/regulation
  - (viii) Wastage/misappropriation of company funds/assets
  - (ix) Breach of employee Code of Conduct or Rules
  - (x) Any other unethical, biased, favoured, imprudent event
- (e) Policy is not a platform for complaints pursuant to personal grievances like no increment / promotion etc and should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues or superiors

## **VI Eligibility:**

All Employees and Directors of the Company are eligible to make the Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company

## **VII 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 a disciplinary action
- (b) Protection under this Policy would not mean protection from the disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention
- (c) However, the disciplinary action would be taken based on the principles of the natural justice and only after giving the reasonable opportunity to the concerned Employee to be heard
- (d) Whistle Blowers, who make any Protected Disclosure/s, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make 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 for

a period of six months

**VIII Manner in which concern can be raised:**

- (a) Employees can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same
- (b) For the purpose of providing the protection to the Whistle Blower, it is preferred that the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- (c) Protected Disclosures should be reported in writing (including email) so as to ensure 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. Alternatively, Protected Disclosures can also be reported orally by leaving a voice mail on the following telephone line of the Company (Tel No. 0120-2459200). Oral reports will normally be documented by the Ombudsperson / Chairman of the Audit Committee accessing the voice mail by a written transcription of the oral report
- (d) The Protected Disclosure should be forwarded under a Covering Letter which shall preferably bear the identity of the Whistle Blower. The Ombudsperson/Chairman 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
- (e) 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
- (f) All Protected Disclosures concerning Financial/Accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation
- (g) In respect of all other Protected Disclosures, those concerning the employees at the levels of Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Ombudsperson of the Company

- (h) The contact details of the Ombudsperson / Chairman of the Audit Committee are as under:

Mr. RCM Reddy, Managing Director, Ombudsperson  
NTBCL Building, Toll Plaza,  
DND Flyway, Noida: 201 301, Uttar Pradesh  
E-mail -[reddyrcm@ilfsindia.com](mailto:reddyrcm@ilfsindia.com)  
Tel: +91-120-2459 200

Mr. Arvind Malhotra, Chairman, Audit Committee  
NTBCL Building, Toll Plaza,  
DND Flyway, Noida: 201 301, Uttar Pradesh  
E-mail - arvindmalhotra6@gmail.com  
Tel: 9821240400

- (i) If a Protected Disclosure is received by any Executive of the Company other than Ombudsperson / Chairman of Audit Committee, the same should be forwarded to the Ombudsperson or the Chairman of the Audit Committee for further appropriate action
- (j) If initial enquiries by the Ombudsperson / Audit Committee indicate that the concern has no basis, or it is not a matter to be investigated pursuant to this Policy, it may be dismissed at that stage and the decision shall be documented and communicated to the Whistle Blower whose identity is known
- (k) Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by the Audit Committee. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt or wrong doing. A written report of the findings would be made
- (l) Name of the Whistle Blower shall not be disclosed to the Audit Committee
- (m) The Ombudsperson / Audit Committee shall:
- (i) Make a detailed written record of the Protected Disclosure. The record will 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 Subject, and if so, the outcome thereof;

## **IX Investigation:**

- (a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company or by the Ombudsperson, on the directions of the Chairman of the Audit Committee, who will investigate / oversee the investigations under the authorization of the Audit Committee
- (b) The Chairman of the Audit Committee may at his discretion, consider involving internal Functions/employees and/or outside Investigators for the purpose of investigation.
- (c) The decision to conduct an investigation taken by the Chairman 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
- (d) The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation
- (e) Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing his/her inputs during the investigation
- (f) Subject shall have a duty to co-operate with the Ombudsperson / Chairman of the Audit Committee or any of the Investigators during the investigation to the extent that such co-operation will not compromise self-incrimination protections available to the Subject under the applicable laws
- (g) Subject has a right to consult with a person or persons of his/her choice, other than the Ombudsperson / Investigators and/or members of the Audit Committee and/or the Whistle Blower.



- (h) Subject has a responsibility not to interfere with the investigation
- (i) Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, coerced, threatened or intimidated by the Subject
- (j) Unless there are compelling reasons not to do so, Subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is an evidence in support of the allegation
- (k) 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
- (l) The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure

**X 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 practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to the 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 Disclosures. 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) A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend a suitable action to the Management
- (c) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law

- (d) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower

## **XI Investigators:**

- (a) Investigators are required to conduct fact-finding and analysis methodically. Investigators shall derive their authority and rights from the Audit Committee when acting within the course and scope of their investigation
- (b) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards
- (c) Investigations will be launched only after a Preliminary Review by the Ombudsperson / Chairman of the Audit Committee as the case may be, which establishes that:
  - (i) the alleged act constitutes an improper or unethical activity or conduct, and
  - (ii) the allegation is supported by the 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 be undertaken as an investigation of an improper or unethical activity or conduct

## **XII Decision:**

If an investigation leads the Ombudsperson / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee 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 as per the Disciplinary Policies of the Company

### **XIII Reporting:**

- (a) The Ombudsperson shall submit a report to the Chairman of the Audit Committee on a quarterly basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- (b) Audit Committee in turn shall submit a report to the Chairman of the Board 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) Board of Directors shall disclose the details of the establishment and operation of the Whistle blowing and Vigil Mechanism in the Directors Report

### **XIV 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 eight years or such period as may be prescribed under applicable laws

### **XV Amendment:**

The Company may amend or modify this Policy in whole or in part, at any time, such amendment or modification shall not affect the on going or completed investigations

*This policy was revised in the Board Meeting held on August 21, 2017*