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VIGIL MECHANISM / WHISTLE BLOWER POLICY

CMS INFO SYSTEMS LIMITED

PREAMBLE

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("the Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The Companies Act, 2013 provides a mandatory requirement for all Companies borrowing moneys from Banks and Financial Institutions in excess of Rs. 50 Crores, to devise an effective whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

In view of the above, CMS Info Systems Limited ("CMS"), proposes to establish a Vigil Mechanism and to formulate the following as a Whistle Blower Policy.

POLICY OBJECTIVES

CMS is committed to operate its business purposes, in compliance with all applicable laws, rules and regulations, including those concerning accounting and auditing, and further prohibits fraudulent practices by any of its board members, officers or employees.

This policy outlines a procedure for employees or director to report actions that any other employee or director reasonably believes violates a law, or regulation or that constitutes fraudulent business, accounting or other practices. This policy applies to any matter which is related to CMS's business and does not relate to private acts of an individual, not connected to the business of CMS.

The mechanism provides for adequate safeguards against victimization of directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.



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This neither releases employees 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 about a personal situation.

DEFINITIONS

“Audit Committee” means a Committee constituted by the Board of Directors of the Company in accordance with guidelines of Companies Act, 2013.

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

“Company” or “CMS” means CMS Info Systems Limited and all its offices.

“Code” means Code of Conduct for Directors and Senior Management adopted by CMS Info Systems Limited.

“Employee” means all the present employees and directors of the Company (Whether working in India or abroad).

“Protected Disclosure” means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Vigilance 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.

“Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

SCOPE

The policy is designed in such a way that it shall help / protect the person making protected disclosure to the management of the Company or in exceptional cases to the Chairman of the Audit Committee against any instance of wrongdoing and malpractices within the Company. However, the disclosures should be made in a reasonable time frame. The few instances when



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the protected disclosure may be made are:

- a) Criminal offence (e.g., fraud, corruption or theft) committed / likely to be committed.
- b) Failure to comply with legal / regulatory obligations
- c) Violation of Code of Conduct framed by the Company
- d) Destruction of official records / information / evidences with mala fide intention.
- e) Incidence of sexual harassment of a member of staff, clients and service providers of the Company
- f) Breach of the Company Staff Regulations or Code of Conduct;
- g) Embezzlement causing pecuniary loss to the Company
- h) Submission of fake bills.
- i) Discrimination against a member of staff, client or service provider on the grounds of sex, caste, religion or disability.
- j) An act which leads to unethical business practices.
- k) An act which does not conform to approved standard of social and professional behaviour.

Protected Disclosure will be appropriately dealt with by the Vigilance Officer or the Chairman of the Audit Committee, as the case may be.

ELIGIBILITY

All the Director(s) and employees of the Company are eligible to make “Protected Disclosures” under the Policy. The Protected Disclosure may be in relation to matters concerning the company which may relate to concerns about unethical behaviour, actual or suspected fraud or violation of the company’s code of conduct or ethics policy, willful attempt to exceed delegated authority by virtue of which either demonstrable loss may be caused to company or demonstrable wrongful gain may accrue to the person against whom protected disclosure is being made.

PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English or Hindi.

The Protected Disclosure should be submitted under a covering letter signed by the complainant, mentioning his contact details in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower policy**” or sent through email with the subject “**Protected disclosure under the Whistle Blower policy**”. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.



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The contact details of the Vigilance Officer are as under:-

Name and Address – Mr. Basant Jain

Designation: - (Independent Chartered Accountant)

Address: - 601, Dalamal Chambers, New Marine Lines, Mumbai-20

Email: - basant.jain2011@gmail.com

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision by the Vigilance officer, he/she can make a direct appeal to the Chairman of the Audit Committee. The Protected Disclosure making appeal to the Chairman of the Audit Committee should submit the same under a covering letter signed by the complainant, mentioning his contact details in a closed and secured envelope and should be super scribed as

To

Mr. G K Pillai,

Chairman -Audit Committee

(Protected disclosure under the Whistle Blower policy)

Silver Metropolis, 11th Floor, Western Express Highway,

Goregaon East, Mumbai 400 063

which complaint shall directly be send by Vigilance officer to the Audit Committee Chairman in sealed envelope. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

INVESTIGATION

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 an outside agency before referring the matter to the Chairman of the Audit Committee of the Company.

Where complainant has no basis or substance at all, then based on the recommendations of the Designated Authority it will be dismissed at this stage by the Vigilance Officer and decision will be documented. Where the Vigilance Officer is prima facie satisfied that the complaint carries a vigilance angle and warrants investigation, the complaint will be investigated by the Vigilance Officer.



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iii) Once the decision to enquire/ investigation is taken, the Designated Authority will ensure that the complaints are inquired/ investigated and action taken to its logical conclusion within a reasonable time which would normally be completed within 90 days of the receipt of protected disclosure.

The Vigilance Officer / Chairman of Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

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.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

The Vigilance Officer shall submit a report to the Chairman of the Audit Committee on a quarterly basis about all protected disclosures referred to him or her since the last report together with the results of investigations, if any.

ANONYMOUS ALLEGATIONS

The policy encourages the employees to put their names to allegations because appropriate follow up questions and investigation will not be possible unless the source of information is found. Concerns expressed anonymously will be investigated but consideration will be given to the seriousness of the issue raised and credibility of the concern.

CONFIDENTIALITY

The complainant, Vigilance 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

PROTECTION

Under Whistle Blower Policy, the Company shall ensure that any director or employee who has made a protected disclosure under the Policy or rendered assistance in inquiry under the policy, is not victimised by initiation of any proceedings or otherwise merely on raising alarm over any wrongdoing in the Company. Such Whistle Blower need not fear the risk of losing his/her job, transfer, demotion, refusal of promotion, disciplinary action, retaliation, alienation from peers, any type of obstruction in his functioning at his workplace. His right derived from the position being held by him in the Company shall be protected at any cost. Any other employee assisting in the inquiry / investigation shall also be protected to the same extent as the Whistle Blower. However, this protection will be available to him/her subject to the following:

- (i) That the disclosure has been made in good faith and is genuine.
- (ii) That the person making disclosure has made a personal declaration that he/she reasonably believes the information to be substantially true.
- (iii) That the complaint is not motivated or vexatious.
- (iv) That the complaint is not made for personal gains.
- (v) That the complaint has been made in the role of Whistle Blower and not just as a complainant.

This assurance will not be extended to the employee who has made a disclosure mala fide and knowingly that it was incorrect or false or misleading. In such case, he shall be liable to Disciplinary Action(s) to be decided by the Competent Authority or Committee constituted under this Policy.

If the employee raising alarm as Whistle Blower is aggrieved by any action on the ground that he is being victimized due to the fact that he had filed a complaint or disclosure, he may file an application before the Chairman of Audit Committee, for seeking redressal in the matter, who shall take such action as deemed fit.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

DISQUALIFICATIONS

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

Protection under this Policy would not mean protection from 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.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

MAINTENANCE OF RECORDS

- (i) The Vigilance Officer will personally open all the emails/envelops pertaining to the matters under the policy.
- (ii) He will ensure that a register is maintained for recording complaints marking the number of the complaint and date of its receipt.
- (iii) The Vigilance Officer will bring the complaint to the notice of the Chairman of Audit Committee, immediately on its receipt.
- (iv) All protected disclosures in writing or documents along with the results of investigation relating thereto shall be retained by the Vigilance Officer for a minimum period of 7 years.

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.

COMMUNICATION

Directors and Employees shall be informed of the Policy by publishing on the notice board or sharing with employees by email and/ or by uploading of the same over the website/ employees portal of the Company.

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 3 (three) years or such other period as specified by any other law in force, whichever is more.



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 and employees unless the same is not communicated in the manner described as above.

The above policy is adopted by the Audit Committee of Board of Directors of the Company in its meeting held on 12th December, 2017 and herewith recommended to the Board of Directors for necessary approval.

**For and on behalf of Audit Committee of
CMS Info Systems Limited**



Praveen Soni
Secretary 12/12/2017

PLACE: Mumbai

Version History

Version No	Changes	Date
1	Policy Announced	27 th July , 2016
2	Change in Email ID of Vigilance Officer	12 th Dec , 2017