

**NEWGEN**

## **Policy on Whistle-Blower Mechanism**

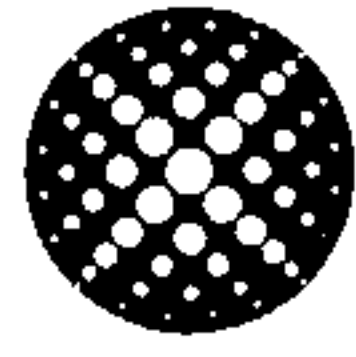
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**Newgen Software Technologies Ltd.**

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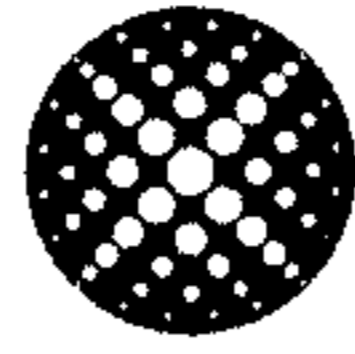
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**Revision History**

<b>Release Date (DD-MM-YYYY)</b>	<b>Revision No.</b>	<b>Changes Summary (Mention Sections Affected)</b>	<b>Approved By (Designation)</b>
01.11.2018	2.0	Inclusion of Ombudsperson and process to raise an incident along with its redressal Mechanism.	Managing Director



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**1. PREFACE:**

Newgen Software Technologies Limited ('Newgen Software' or 'the Company') believes in conducting the affairs of its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

Section 177 of Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers), 2014 ('Rules') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations), provides, as mandatory requirement, the establishing of a Vigil Mechanism and Whistle Blower Policy for its directors and Staff to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Ethics and Business Conduct..

Accordingly, this Whistle Blower Policy ('the Policy') has been formulated with a view to provide a vigil Mechanism to approach the Chairman of the Audit Committee of the Company in case of an unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct.

This policy defines and lays down the process for raising concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Ethics and Business Conduct Policy ('Protected Disclosure'), the safeguards in place for the individual raising a Protected Disclosure, the roles and responsibilities of all involved and sets the time lines for all processes to be followed. In all instances, the Company retains the prerogative to determine when circumstances warrant an investigation and, in conformity with this policy and applicable laws and regulations, the appropriate investigative process to be employed.

**2. OBJECTIVE:**

Whistle-Blower policy has been designed intending to achieve the following objectives:

- i. To establish a single, no threat window whereby an individual, who is aware/observant of any unethical behaviour, actual or suspected fraud or violation to the Newgen's Code of Ethics & Business Conduct and its Disciplinary Action Protocol, duly amended from time to time, referred to as Unethical and Improper Practices.

- ii. To provide protection and adequate safeguard to such a Complainant from victimization, harassment or other adverse impact during or after the proceedings.
- iii. To ensure appropriate investigations of the Protected Disclosure, timely institutional response and remedial action. Protected disclosure can be made through the appropriate channel as outlined in this Policy.

### 3. SCOPE:

- i. The policy applies to all the Directors, Staff and Associates of the Company including its Subsidiaries, across all Divisions and locations in India & overseas who can make a Protected Disclosure.
- ii. The Mechanism laid down in this Policy neither releases Associates from their duty of confidentiality during their work, nor is it a route for taking up a grievance about a personal situation
- iii. Cases pertaining to Prevention of Sexual Harassment & Employee Complaint Resolution Mechanism including but not limited to disciplinary violations and violations under Newgen's Code of Practices and Procedures for fair Disclosure and Conduct to regulate & monitor trading shall be processed under respective policies of the Company, even if the case is registered through Whistle Blower Mechanism.

### 4. ABBREVIATIONS:

Sr. No	Abbreviation	Description
1.	HRD	Human Resource Department
2.	CEO	Chief Executive Officer
3.	CFO	Chief Finance Officer

### 5. DEFINITIONS:

- i. **Staff** means every employee including temporary employee, outsourced employee and contractual employee of the Company.
- ii. **Associates:** includes Stakeholders, contractors, contractor's staff, clients, vendors, internal or external auditors, law enforcement/regulatory agencies or other third parties of the

Organization and its Subsidiaries (Together 'Company'), across all Divisions and locations in India & overseas who could make a Protected Disclosure.

- iii. **Whistle-Blower or Complainant:** A person or entity making a disclosure of any actual or suspected Unethical and Improper Practice that they have observed. Whistle-blowers could be Directors, staff, contractors, contractor's staff, clients, vendors, internal or external auditors, law enforcement/regulatory agencies or other third parties. The Whistle Blower's role is as a reporting party, he/she is not an investigator. Although the Whistle Blower is not expected to prove the truth of an allegation, he needs to demonstrate to the Ombudsperson / Audit Committee, that there are sufficient grounds for concern.
- iv. **Audit Committee** means the Audit Committee constituted by the Board of Directors of the Company in accordance with applicable law.
- v. **Ethics Committee** means a committee constituted by the Audit Committee, comprising of members who will be representatives from HR, Finance, Legal, Company Secretary, Sales and any other business department as deemed fit. The Ethics Committee shall have a Chairperson who will chair the Meeting. In the absence of the Chairperson of the Committee in any meeting, the Members of the Ethics Committee shall elect from themselves as the Chairman of that meeting only. Refer Annexure I for *Role and Responsibilities of Committee*.
- vi. **Complaint:** The reporting of any such Unethical and Improper Practice or violation to the Whistle Blower Policy (as defined above) by a Whistle-Blower made in good faith would constitute a complaint.
- vii. **Ombudsperson:** Any Independent agency / individual / organisation appointed to independently carry out an initial investigation of the Complaints lodged by Whistle Blower.

- viii. **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 official duties or any such action as laid down in the Annexure I of the Disciplinary Action Protocol, duly amended from time to time, as is deemed to be fit considering the gravity of the matter.
- ix. **Protected Disclosure** means a concern raised by complainant through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title 'SCOPE OF THE POLICY' with respect to the Company. However, the Protected Disclosures 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.
- x. **'Policy'** or 'This Policy' means, the Whistle Blower Policy.

## 6. POLICY DESCRIPTION/GUIDELINES:

### i. Reporting a Protected Disclosure:

- a) Whistle Blower may submit Protected Disclosure to the authorities as mentioned in the said policy.
- b) Whistle Blower must put his/her name to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Therefore, Protected Disclosures expressed anonymously will ordinarily NOT be investigated. However, Audit Committee or Ethics Committee under exceptional cases may choose to investigate an anonymous disclosure as explained in Annexure II.
- c) The Whistle-blower need not prove the concern but must demonstrate sufficient grounds for raising the concern. Mention of factual details along with substantial evidences about the incident is preferred.
- d) The Protected Disclosure could be submitted through the channel mentioned below as

soon as possible but not later than 30 days after becoming aware of the same. All such incidences must be reported in writing to ensure a clear understanding of the issue. The Audit Committee or Ethics Committee at its sole discretion may decide to entertain the complaint made after aforesaid 30 days, if necessary.

e) The Company has appointed Artha Arbitrage Consulting LLP to act as an Ombudsman under this Whistle-blower Mechanism. Any Protected Disclosure can be reported to them at:

- Email: [Whistle-Blower.newgen@arthaarbitrage.com](mailto:Whistle-Blower.newgen@arthaarbitrage.com)
- Postal Address: C 16, 2nd Floor, Qutab Institutional Area, New Delhi- 110016
- Phone Number: +91 11 41022447, +91 11 41022448.

f) If a Protected Disclosure is received by any executive of the Company, the same should be forwarded to the Ombudsman for further appropriate action.

Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

**ii. Disqualification:**

In case of the Committee reaching a conclusion that the Complaint has been made with a *malicious* intent and is a false accusation or is an abuse of the process or the complaints are repeatedly frivolous, then the concerned Committee may recommend an appropriate action against the person making the disclosure. Having said that the Company clearly understands that some disclosures may not result in any investigation or action at a later stage even though they are made in good faith. In such circumstances, no action would be initiated against the Whistle-Blower. It is also clarified that this process should not be used as a grievance redressal mechanism.

**iii. Process of Investigation:**

a) In the event of any Protected Disclosure received by the Ombudsman, it shall be determined whether the disclosure pertains to a Protected Disclosure normally within 15 days of receipt of the Protected Disclosure. Complaints received by the Ombudsman will



be categorized in two broad categories:

- Complaints against Chairman/Managing Director, Director, CEO, CFO, President, Sr. Vice President and Vice President hereinafter referred as 'C' Level Officers. Complaints against 'C' level Officers shall be dealt with, in the manner set out in Annexure III. Complaints against Chairman of the Audit Committee shall be forwarded to the Ombudsperson. Ombudsperson shall forward such complaints to the Chairman of the Board of Directors. Further action on such complaints will be taken as per the decision of the Board of Directors.
  - The Ombudsperson will carry out preliminary investigation of all Complaints received against 'C' level Officers and those other than 'C' level.
  - Complaints along with preliminary investigation against below C Level Officers will be forwarded to the Ethics Committee and for C Level Officers to the Chairman of the Audit Committee.
- b) If prima facie it is established that the Protected Disclosure warrants further investigation, the Chairman of the Audit Committee may consider further investigation, if required. If it is determined that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.
- c) The involved parties (including Respondent), shall be provided sufficient and fair opportunity to prove/justify his/her case, including individual hearing as may be required, and shall ensure complete fairness in the process of investigation.
- d) Respondent(s) shall have a duty to co-operate with the Audit/ Ethics Committee or any of the nominated Investigator during investigation to the extent that such co-operation will not compromise self- incrimination protections available under the applicable laws.
- e) The identity of a Respondent will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- f) The investigation shall be completed normally within 90 days of the receipt of the 'Protected Disclosure'.
- g) Results of investigation of a complaint wherein Whistle-Blower has identified

himself/herself can be shared once the results have been submitted to the Audit Committee.

**iv. Documentation & Reporting:**

- a) A quarterly report with all the complaints received under the Policy along with a quarterly report of all complaints from Ombudsman including action taken, shall be placed before the Audit Committee and the Board.
- b) The Audit/ Ethics Committee shall decide for their respective cases on the Disciplinary Action to be taken. All such actions shall be routed through the HRD and placed in the personal file of the Respondent.
- c) All documentation pertaining to the Complaint including but not restricted to the investigation report, corrective action taken, and evidence will be maintained by the Committee for a period of not less than seven years from the date of disposal of the Complaint.

**v. Whistle-blower Protection**

The Company will ensure to protect Whistle-Blowers against retaliation, as described below:

- a) The Company will keep the Whistle-blower's identity confidential, unless:
  - The person agrees to be identified in writing.
  - Identification is necessary to allow the Company or law enforcement officials to investigate or respond effectively to the report.
  - 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.
- b) The Company, the Whistle Blower, the Respondent and every other person involved in

the process shall:

- Maintain complete confidentiality and secrecy of the matter;
  - Not discuss the matter in any informal/social gatherings/meetings;
  - Not keep the papers unattended anywhere at any time;
  - Keep the electronic mails/files under password.
- c) The Company prohibits retaliation against a Whistle-Blower with the intent or effect of adversely affecting the terms or conditions of employment (including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages). Whistle-Blowers who believe that they have been retaliated against may file a written Complaint with the Ethics Committee. A proven Complaint of retaliation shall result in a proper remedy for the person harmed and severe disciplinary action including termination of employment against the retaliating person. This protection from retaliation is not intended to prohibit managers or supervisors from acting, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

**vi. Communication / Administration and Review of The Policy:**

- a) The Audit Committee shall be responsible for the administration, interpretation, application and review of this policy. Any amendment to the Policy shall take effect from the date when it is approved by the Audit Committee and hosted on the company website.
- b) In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities such as Govt of India, SEBI or any other such authority, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.
- c) *Policy shall be reviewed, modified or amended on need basis.*

- d) The new Staff of the Company shall be informed about the policy by HR via the new joinee induction programme.
- e) The Company shall annually affirm that it has not denied any person access to the Audit Committee and that it has provided protection to Whistle Blower from adverse personal action, wherever applicable. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.



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**Mr. Diwakar Nigam**  
**(Managing Director)**

**Annexure I: Role & Responsibilities of Committees****1. Audit Committee (AC)**

- i. To decide upon the disciplinary action against Chairman/Managing Director, Director, CEO, CFO, President, Sr. Vice President and Vice President hereinafter referred as 'C' Level Officers, hereinafter referred as 'C' Level, based on Final Investigation Report;
- ii. To review and monitor cases pertaining to 'C' Level Officers.
- iii. To review and approve the 'Whistle-Blower' process / framework;
- iv. To review and monitor cases presented each quarter;
- v. In case of repeated frivolous complaints, the Audit Committee may take suitable action against the concerned director or employee, including reprimand;
- vi. If any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee should deal with the matter on hand
- vii. To constitute and reconstitute Ethics Committee from time to time.
- viii. Performing such other duties / functions as the Board of Directors of the Company or any applicable laws regulation for the time being in force, prescribe for this purpose.

**2. Ethics Committee (EC)**

- i. Complaints related to other than 'C' Level Officers will be dealt by Ethics Committee;
- ii. To decide the need for detailed investigation and investigating agency based on Initial Investigation Report issued by Ombudsman Function from receipt of complaint by Chairman of Ethics Committee starting from the first working day after the date of receiving the complaint.
- iii. To decide upon the appropriate action based on the investigation conducted by the Investigating Agency from receipt of complaint by Ethics Office.
- iv. To review and suggest improvements in the 'Whistle-Blower' process / framework;
- v. To decide need for detailed investigation and investigating agency based on Initial Investigation Report issued by Ombudsman Function;

- vi. To decide upon the appropriate action based on the investigation conducted by the Investigating Agency;
- vii. To review & monitor corrective /preventive actions to prevent or minimize the recurrence of such event(s);
- viii. To review performance of the investigating agency;
- ix. To update the Audit Committee on cases investigated and action taken report every quarter pertaining to other than 'C' level Officers;
- x. Any other role assigned by Audit Committee in line with the policy.

**3. Investigating Agency (IA)**

- i. To carryout investigation as per the defined terms of reference by the concerned Committee.

**4. Ombudsperson Function (OF)**

- i. To receive Complaints on Whistle-Blower.newgen@arthaarbitrage.com, provide acknowledgment to the Whistle-Blower, forward complaint to the Chairman of the Audit/Ethics Committee
- ii. To maintain tracker for Complaints raised along with action taken report;
- iii. To forward Complaints received against 'C' level Officers to the Chairman of Audit Committee
- iv. Carry out an initial investigation based on preliminary evaluation of Complaint and the quality of information / evidences provided for Complaints.
- v. To present update on cases investigated and action taken report to Committee.

**5. Whistle-Blower**

- i. Whistle-Blower (including anonymous Whistle-Blower) must provide all factual corroborating evidence, as is available/possible, to enable commencement of an investigation, material which demonstrates sufficient grounds for concern. However, the Whistle-Blower shall refrain from obtaining evidence for which they do not have a right of access and no protection would be guaranteed to the Whistle-Blower for having obtained information illegally.
- ii. The Whistle-Blowers will not be immune from disciplinary action if he is found guilty of or is a party to the allegations.

**Annexure II: Handling Anonymous Complaints**

1. Reports of allegations of suspected Unethical and Improper Practices are encouraged to be made in writing to assure a clear understanding of the issues. Such reports should be factual rather than speculative and must 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 sufficient grounds for raising the concern.
2. The disclosure can also be made anonymously, but it will be the decision of the Audit/ Ethics Committee to further act upon an anonymous Complaint or not, depending upon the disclosure so made.
3. Although a Whistle-Blower is not required to furnish any more information than what he/she wishes to disclose, it is essential for the Company to have all critical information to enable the Company to effectively evaluate and investigate a complaint. It is difficult for the Company to proceed with an investigation without sufficient details.
4. The complainant must therefore provide as much detail and be as specific as possible, including names and dates, to facilitate the investigation. To the extent possible, the complaint must include the following:
  - i. The employee, and/or outside party or parties involved;
  - ii. The sector of the Company where it happened (division, office);
  - iii. When did it happen: a date or a period;
  - iv. Type of concern (what happened);
    - Financial reporting;
    - Legal matter;
    - Management action;
    - Employee misconduct; and/or
    - Health & safety and environmental issues.
  - v. Submit supporting documentation (if any);
  - vi. Who to contact for more information, if possible; and/or
  - vii. Prior efforts to address the problem, if any.



5. The Ombudsman function shall update the respective Committee about the anonymous complaint from date of receipt of complaint.
6. Ombudsman Function shall track all anonymous complaints in the complaints tracker.
7. Ombudsman Function shall engage with the anonymous complainant via mail (if available) to obtain as much information and evidence as possible.
8. Complaint shall be kept open for a month from the date of receipt of complaint, in case complainant has not provided sufficient information.
9. In the event of absence of sufficient information and substantial evidence supporting the allegations, the complaint shall be closed after a month, after informing the complainant via mail (if available) and the complaint shall be assigned a Frivolous Status with no merit in further investigation.
10. For anonymous complaints received via post where no contact details of the complainants have been provided, the Ombudsman function shall conduct the preliminary assessment on basis of the information and evidences provided by the complainant and submit the report along with findings to the Ethics Committee.
11. The company shall reserve the right to share outcome of investigation with anonymous complainants.
12. A similar process will be followed in case an anonymous complaint received against Level C officers. Subject to the decision of the Audit Committee, the appointed agency shall investigate the anonymous complaint against such a Respondent.



**Annexure III: Flowchart for Whistle-Blower Mechanism**

