



VIGIL (WHISTLE BLOWER) POLICY

2023

Enterprise wide-applicable

This document lays out the Vigil policy to provide an equal opportunity to all employees to voice concern on unethical practices and fraud

axio is the brand name of CapFloat Financial Services Private Limited, an NBFC registered with RBI

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1. VIGIL (WHISTLE BLOWER) POLICY

1.1 Scope

Section 177(9) of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 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 or grievances in such manner as may be prescribed.

The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and report genuine concerns and also intends to provide direct access to the chairperson of the audit committee in appropriate or exceptional cases. axio has formulated the policy that should govern the actions of the Company, Directors and its employees. Any actual or potential violation of the policy, howsoever insignificant or perceived as such, would be taken seriously and addressed as per this policy and process.

1.2 Objective

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or Policy. The Company aims to propagate a culture for maintaining the highest standard of conduct and professionalism. To achieve this, the Company has formulated this policy that will provide guidelines and assignment of responsibility for the development and maintenance of controls, the conduct of investigations, awareness training for the employees. The Company would perceive any actual or potential fraud, however insignificant or perceived as such, very seriously.

1.3 Definitions

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

- "Audit Committee" means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013

- “Employee” means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.
- “Code” means the Company Code of Conduct.
- “Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- “Whistleblower” means an Employee or director making a Protected Disclosure under this Policy.

This policy seeks to:

- Provide an independent, high-level forum for employees to raise concerns and complaints about fraudulent practices such as:
 - Misappropriation of funds and assets
 - Corruption
 - Financial Statement Fraud
 - Breach of Business Integrity and Ethics
- Establish a fair and equitable inquiry process and redressal mechanism
- Provide through the Committee, a forum to review and investigate such concerns and give appropriate feedback on action taken.
- Reassure employees raising the concerns, that each one utilizing the process will be fully protected against possible reprisals, intimidation, coercive action, dismissal, demotion or victimization when a serious and genuine concern of fraud has been reported in good faith.

1.4 Applicability

All stakeholders, including individual employees of Capfloat Financial Services Private Limited are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

1.5 Policy Content

A person wishing to raise a concern to the committee, either verbally or in writing by providing the following information such as:

- i. Background
- ii. History of the fraud
- iii. Grounds for raising the concern
- iv. Identity of the Subject or subjects
- v. Documentary evidence, wherever available

Protected Disclosures shall be factual and not speculative or in the nature of a conclusion and shall contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

2. Investigation Process

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 legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

The Protected Disclosure should be reported through email by sending an email to whistleblower@axio.co.in with the subject "Protected disclosure under the Vigil (Whistle Blower) Mechanism". If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure and such disclosure shall be investigated by the audit committee of the company as a whole and the initial review, preliminary and detailed investigation shall be conducted by person designated by the audit committee to do the necessary and shall be thereby forward the detailed report to the committee.

In case of any circumstance, which is confidential and complainant is expected to believe that matter is of serious concern which can have a material impact to business functioning, he can directly write to the Chairman of the Audit

Committee and make his complaint by sending an email to auditchair@axio.co.in.

The contact details of the Chairman of the Audit Committee is as under:

Mr. Murali Venkataraman
Chairman of the Audit Committee

Address: 1D Sidharth County, Fourrts Avenue, Plot No 25 & 26, Annai Indira Nagar, Okki yam Thorai, Chennai, 600097, India

Email ID: auditchair@axio.co.in

The policy provides for an investigation and resolution process in 4 stages:

Stage 1 – Initial Review

Stage 2 – Preliminary Investigation

Stage 3 – Detailed Investigation

Stage 4 – Reporting

There shall be no reprisals against anyone because he or she, in good faith, reports a fraud or susceptible fraud.

3. Protection/ Immunity

Protection shall be given to whistleblowers 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 Whistleblower's right to continue to perform his duties/functions including making further Protected Disclosure. If the whistleblower is required to be a witness in criminal proceedings, the Company shall arrange for legal advice and physical protection to the Whistleblower. The identities of whistleblower and subject shall be kept confidential to the extent possible, subject to the needs of the investigation or law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

4. Disqualifications

Protection under this policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistleblower knowing it to be false or bogus or with a malafide intention. While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as set out herein, any abuse of this protection will warrant disciplinary action.

5. Timeline

The following activities shall be performed within the timelines mentioned below:

Activity Timelines (from the date of receipt of concern)

Initial Review – 3 working days

Preliminary interview – 7 working days

Detailed Investigation – 30 working days

Reporting to Audit Committee – 60 working day

6. Policy Implementation

Implementation Framework

6.1 Approval

- Responsibility – Board of Directors
- Procedure – This policy and any subsequent modifications to this would only become enforceable upon appropriate approval of the Board. The date on which this policy or any such modification becomes enforceable shall be clearly stated with the approval.

6.2 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 quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board. 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 Chairman shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

6.3 Confidentiality

The complainant, Vigilance Officer/designated authority, 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 of investigations and keep the papers in safe custody.

7. Communication

Directors and Employees shall be informed of the Policy by publishing on the website of the Company.

8. 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.