

# eClerx

## Whistle Blower Policy

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Project	Whistle Blower Policy
Company	eClerx Services Ltd.
Prepared by	

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## Table of Contents

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1.	Policy .....	6
2.	Purpose .....	7
3.	Definitions .....	8

Document Title: Whistle Blower Policy	
Template Version:	
Last Updated:	

## List of Tables

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Table 1: .....	12
----------------	----

Document Title: Whistle Blower Ploicy	eClerx
Template Version:	
Last Updated:	

## List of Figures

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**No table of figures entries found.**

Document Title: Whistle Blower Policy	
Template Version:	
Last Updated:	

## 1. Policy

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This policy addresses the commitment of eClerx Services Ltd. (the "Company"), to integrity and ethical behavior by helping to foster and maintain an environment where employees or any other person dealing with the Company can act appropriately, without fear of retaliation. This policy is consistent with, and forms part of the Company's Code of Conduct and Corporate Governance policy. Employees are strongly encouraged to discuss with supervisors, managers or other appropriate Senior Employee, when in doubt, about the best and ethical course of action in a particular situation.

This policy, *inter-alia*, complies with Section 177(9) & (10), SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated Apr 17, 2014 and the Listing Agreement – Annexure I D (7)– Non-mandatory requirements, concerning report about unethical behaviour, actual or suspected fraud or violation of the company's codes of conduct or policies and safeguards against victimization of whistle blower who avail of the mechanism. The procedures facilitate a framework to promote responsible and secure whistle blowing.

The policy was amended on January 24, 2012 vide meeting of Board of Directors held on the said date and further amended by the Board of Directors vide Resolution passed on April 30, 2014.

## 2. Purpose

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The purpose of this policy is to encourage all employees or any other person dealing with the Company to disclose any wrongdoing that may adversely impact the Company, the Company's customers, shareholders, employees, investors, or the public at large. This policy, *inter-alia*, also sets forth (i) procedures for reports of questionable auditing, accounting, internal control and unjust enrichment matters and (ii) an investigative process of reported acts of wrongdoing and retaliation from employees, *inter-alia*, on a confidential and anonymous basis. However the policy neither releases employees from Company's norms of confidentiality in the course of their work, nor is it a route for taking up a grievance about personal situation. Further this policy is not intended to cover career related grievances unless resulting out of victimization of the whistle blower.

This Policy is not, intended to question financial or business decisions taken by the Company that are not Reportable Matters as defined under this Policy as Accounting Allegation or Wrongdoing Allegation, nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company hence action taken under code of conduct or insider trading or other employment policies are not the subject matter of complaints again.

The Whistle blower's role is that of a reporting party. Whistle blowers are not investigators or finders of facts; neither can they determine the appropriate corrective or remedial action that may be warranted.

### 3. Definitions

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For the purposes of this policy:

1. **Adverse Employment Action:** Examples of adverse employment action include, but are not limited to, demotion, suspension, termination, transfer to a lesser position, denial of promotions, denial of benefits, downgrade of performance ratings or threats thereof, harassment as a result of/ after the whistle blower's report of wrongdoing, or any manner of discrimination against an employee in the terms and conditions of employment because of any other lawful act done by the whistle blower pursuant to this policy.
2. **Audit Committee:** means the Committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement.
3. **Disciplinary Action:** means any action that can be taken on the completion of/during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
4. **Good Faith:** Good faith is evident when the report is made without malice or consideration of personal benefit and the whistle blower has a reasonable basis to believe that the report is true; provided, however, a report does not have to be proven to be true to be made in good faith. Good faith is lacking when the disclosure is known to be malicious or false.
5. **Employee:** means any employee including directors, officers and managers of the Company.
6. **Reportable Matters:** means accounting allegations/complaints (set out in I(A) below), and/or any other Company matters involving abuse of authority, breach Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health & safety, environmental issues, wastage/misappropriation of Company funds/assets and any other unethical conduct (set out in II(A)).
7. **Whistle blower:** means any Employee who has or had access to data, events or information about an actual, suspected or anticipated Reportable Matter within or by the organisation, and whether anonymously or not, makes or attempts to make a deliberate, voluntary and protected disclosure or complaint of organizational malpractice. The Whistle blower further includes Vendor(s), Client(s) or any other person(s) dealing with the Company.
8. **Wrongdoing:** Examples of wrongdoing include, but are not limited to, fraud, including financial fraud and accounting fraud, violation of laws and regulations, violations of Company policies and codes of conduct, unethical behavior or practices, endangerment to employee / public health or safety and negligence of duty.

#### 1. ACCOUNTING ALLEGATION / COMPLAINT

a. **An accounting allegation may include, without limitation, the following:**

- i. fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- ii. fraud or deliberate error in the recording and maintaining of financial records of the Company;
- iii. deficiencies in or non-compliance with the Company's internal accounting controls;
- iv. misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or

Document Title: Whistle Blower Policy	
Template Version:	
Last Updated:	

- v. deviation from full and fair reporting of the Company's financial condition.

**("Accounting Allegation")**

**b. Responsibilities Of Audit Committee With Respect To Specified Complaints**

- i. The Audit Committee shall receive, retain, investigate and act on complaints and concerns of whistle blower regarding questionable accounting, internal accounting controls and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the Company's accounting policies.
- ii. At the discretion of the Audit Committee, responsibilities of the Audit Committee created by these procedures may be delegated to any member of the Audit Committee, to a subcommittee of the Audit Committee or to any officer(s) of the Company.

**c. Procedure Upon Receipt Of Accounting Allegation**

- i. Each Accounting Allegation, whether openly, confidentially or anonymously, shall be reviewed by the Audit Committee, which may, in their discretion, consult with any member of management or employee whom they believe would have appropriate expertise or information to assist the Audit Committee. The Audit Committee shall determine whether the Audit Committee or respective Head of Department viz., Chief Financial Officer (CFO) should investigate the Accounting Allegation, taking into account the considerations set forth below.
  - A. If the Audit Committee determine that CFO should investigate the Accounting Allegation, the Audit Committee will notify the Chief Financial Officer in writing of that conclusion. CFO shall thereafter promptly investigate the Accounting Allegation and shall report the results of its investigation, in writing, to the Audit Committee. CFO shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.
  - B. If the Audit Committee decides that it should investigate the Accounting Allegation, the Audit Committee shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

**d. Considerations Relative to Whether the Audit Committee or CFO should Investigate an Accounting Allegation**

In determining whether CFO or the Audit Committee should investigate an Accounting Allegation, the Audit Committee shall consider, among any other factors that are appropriate under the circumstances, the following:

- i. Who is the alleged wrongdoer? If an executive officer, senior financial officer or other high management official is alleged to have engaged in alleged activity, that factor alone may militate in favor of the Audit Committee conducting the investigation.
- ii. How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the Audit Committee should undertake the investigation. If the alleged wrongdoing would constitute a crime involving the integrity of the financial statements of the Company, that factor alone may militate in favor of the Audit Committee conducting the investigation.
- iii. How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the Audit Committee should undertake the investigation. In assessing

credibility, the Audit Committee should consider all facts surrounding the allegation, including but not limited to whether similar allegations have been made in past.

**Provided that** the Audit Committee may dispose off any allegation if it is believed or appears to be frivolous provided that the reasons for disposal are recorded in writing and countersigned by the majority of members of the Audit Committee, which should then be preserved for a period of seven years from the date of such disposal.

**Provided that** if the allegation is against one of the Audit Committee Members then the same will be immediately intimated to the Board of Directors for seeking its directions regarding the matter.

The Company Secretary, if called upon, can assist the Audit Committee in discharging the obligations under this Policy, as per the directions given to him.

## 2. Wrongdoing Allegation / Complaint

a. **Wrongdoing Allegation will include without limitation allegations regarding illegal/immoral/unethical behaviour, actual or suspected fraud or violation of the company's code(s) of conduct or HR policies ('Wrongdoing Allegation')**

- i. Each Wrongdoing Allegation, whether openly, confidentially or anonymously, shall be reviewed by the AC, which may, in its discretion, consult with any member of management or employee which it believes would have appropriate expertise or information to assist it in determination. The AC shall determine whether Committee or Head of the respective Department ('HOD') against which (Department) allegation has been made, should investigate the Wrongdoing Allegation, taking into account the considerations set forth below:
- A. If the AC determines that HOD should investigate the Wrongdoing Allegation, the AC will notify HOD of the respective department against which the allegations has been made, in writing of that decision. The HOD shall thereafter promptly investigate the Wrongdoing Allegation and shall report the results of its investigation, in writing, to the AC. The HOD shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.
- B. If the AC determines that it should investigate the Wrongdoing Allegation, it shall promptly determine what professional assistance, if any, is required in order to conduct the investigation. The AC shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

Provided if the allegation is against Head of Department, itself, then the AC will only investigate the matter.

The Audit Committee shall determine the necessary course of action including the corrective steps and disciplinary actions required, if any.

b. **Considerations Relative to Whether the AC or Head of respective Department should Investigate a Wrongdoing Allegation**

In determining whether the AC or Head of respective Department should investigate a Wrongdoing Allegation, the AC shall consider, among any other factors that are appropriate under the circumstances, the following:

- i. Who is the alleged wrongdoer? If the Head of respective Department, senior financial officer or other high management official is alleged to have engaged in wrongdoing, that factor alone may militate in favor of the AC conducting the investigation.

Document Title: Whistle Blower Policy	
Template Version:	
Last Updated:	

- ii. How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the AC should undertake the investigation. If the alleged wrongdoing would constitute a crime, that factor alone may militate in favor of the AC conducting the investigation.
- iii. How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the AC should undertake the investigation. In assessing credibility, the AC should consider all facts surrounding the allegation, including but not limited to whether similar allegations have been made earlier also / are being made repeatedly.

**Provided that** the AC may dispose off any allegation if it is believed or appears to be frivolous provided that the reasons for disposal are recorded in writing and countersigned by majority of the Members of the Committee, which should then be preserved for a period of seven years from the date of such disposal.

**Provided that** the AC shall meet at such intervals and set such procedures for its meetings as deemed fit and necessary for implementation of this policy and as expedient to discharge their duties as entrusted by the Executive Director.

The Company Secretary, if called upon, can assist the Audit Committee in discharging the obligations under this Policy, as per the directions given to him.

### 3. General Guidance

This policy presumes that whistle blower will act in good faith and will not make false accusations when reporting of Wrongdoing by the Company's employees. An employee who knowingly or recklessly makes statements or disclosures that are not in good faith may be subject to Disciplinary Action, which may include termination. Employees who report acts of Wrongdoing pursuant to this Policy can and will continue to be subject to the Company's general job performance standards and adherence to the Company's policies and procedures.

### 4. Protection Of Whistle Blower

Except as otherwise provided above with respect to confidential and anonymous submissions by whistle blower of concerns regarding questionable accounting, auditing or internal control matters, to the extent practicable, the identity of any whistle blower who makes reports pursuant to this Policy shall not be revealed to persons in the respective department, division and/or work location. The Company will make good faith efforts to protect the confidentiality of whistle blower(s) making reports; provided, however, the Company or its employees and agents shall be permitted to reveal the reporting whistle blower's identity and confidential information to the extent necessary to permit a thorough and effective investigation, or as required by law. In addition, the Company will not tolerate any effort made by any other person or group, to ascertain the identity of any person who makes a good faith Accounting / Wrongdoing Allegation (collectively referred as 'Allegation') anonymously.

Consistent with the policies of the Company, the Audit Committee shall not allow or tolerate any retaliation by respective Head of Department or any other person or group, directly or indirectly, against anyone who, in good faith, makes Allegation or provides assistance to the Audit Committee, Executive Director, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating any Allegation.

### 5. Reporting Entity To Whom The Complaint Is To Be Made

A whistle blower will report to the Audit Committee for the purpose, openly, confidentially or anonymously, any Allegation under this policy.

Employees who become aware of any Wrongdoing or suspected Wrongdoing are encouraged to make a report as soon as possible by contacting the party as stated above. Acts of Wrongdoing may be disclosed in writing or in person.

Document Title: Whistle Blower Policy	
Template Version:	
Last Updated:	

Contact information is as follows:-

Nature of Allegation	Any Allegation under the Policy
<b>Reporting Entity (To)</b>	Chairman of Audit Committee
<b>Address for written anonymous complaint</b>	eClerx Services Limited Sonawala Building, 1st Floor, 29 Bank Street, Fort, Mumbai - 400 023
<b>Email ID</b>	<a href="mailto:Chairman.AC@eClerx.com">Chairman.AC@eClerx.com</a>

**Table 1:**

## 6. Anonymous Complaint

A complaint may be made anonymously. If a complaint is made anonymously, the complainant must be detailed in their description of the complaint and must provide the basis of making the assertion therein.

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 in order to enable the Company to effectively evaluate and investigate the complaint. It is difficult for the Company to proceed with an investigation on a complaint, particularly an anonymous complaint, which does not contain all the critical information such as the specific charge. The complaint or disclosure must therefore provide as much detail and be as specific as possible, including names and dates, in order to facilitate the investigation.

To the extent possible, the complaint or disclosure must include the following:

- a. The employee, and/or outside party or parties involved;
- b. The Facility Location of the Company where it happened (division, office);
- c. When did it happen: a date or a period of time;
- d. Type of concern (what happened)
  - i. Financial reporting;
  - ii. Legal matter;
  - iii. Management action;
  - iv. Employee misconduct; and/or
  - v. Health & safety and environmental issues.
- e. Submit proof or identify where proof can be found, if possible;
- f. Who to contact for more information, if possible; and/or
- g. Prior efforts to address the problem, if any.

## 7. Records

The Company shall retain for a period of seven years all records relating to any Allegation and to the investigation of any such Allegation.

The Company Secretary may assist in discharging this duty under this Policy.

## 8. False Complaint

While this Policy is intended to protect genuine Whistle blowers from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with mala fide intentions is strictly prohibited. Any whistle blower who makes complaints with mala fide intentions and which is subsequently found to be false will be subject to strict disciplinary or other appropriate action.

## 9. Secrecy

All the person involved in the process under this Policy shall:

- a. Maintain complete confidentiality/secrecy of the matter;
- b. Not discuss the matter in any informal/social gatherings/meetings;
- c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
- d. Not keep the related papers unattended anywhere at any time;
- e. Keep the electronic mails/files under password.

If anyone is found not complying with the above, he/she shall be liable for Disciplinary Action.

## 10. Modification

The Company may modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with local, state, central regulations and/or to accommodate organizational changes within the Company.

## 11. Conclusion

Company's Code of Conduct as well as the Company's policies and practices have been developed as a guide to its legal and ethical responsibilities to achieve and maintain the highest business standards. Conduct(s) that violates the Company's policies is viewed as unacceptable by the Company. Certain violations of the Company's policies and practices could even subject the Company and any individual employee involved, to civil and criminal penalties. Therefore, before issues escalate to such level, Employees or any other person dealing with the Company are encouraged to report any violations covered hereinabove or otherwise, or reprisal, discrimination etc. related to such incidences, without any fear and pressure.

**This policy shall be posted on the Company's website at [www.eClerx.com](http://www.eClerx.com)**