

VIGIL MECHANISM

PREFACE

Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Power) Rules, 2014 inter alia states that every

- (a) Listed company
- (b) The company which accept deposits from the public
- (c) The company which have borrowed money from banks and financial institutions in excess of fifty crore rupees

Shall establish a vigil mechanism for the directors and employees to report genuine concerns or grievances.

The vigil mechanism provides a channel especially to the employees of the Company to report to management, concerns about unethical behaviour, actual or suspected fraud or violation of this policy. Such a mechanism is intended to provide for adequate security against victimization of employees who may use such a mechanism and make provision for direct access to top-level management of the Company.

Accordingly, in view of Sub-clause (c) above, the Company has established

VIGIL MECHANISM / WHISTLE BLOWER POLICY.

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 Chairman of the Board of Directors in appropriate or exceptional cases.

Being a Private Limited Company, the Company is not required to constitute Audit Committee; however, the Board of directors shall nominate a director to play the role of the audit committee

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for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

POLICY OBJECTIVES

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 is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its Directors / employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees and provide for direct access to the “Vigilance Officer” and the Managing Director in exceptional cases.

Provided however that the employees should maintain their duty of confidentiality in course of their duty to perform and do not raise any malicious or unfounded allegations against people in authority and/or against colleagues.

SCOPE OF THE POLICY

The Policy covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving (but not limited to):

1. Breach of Business Integrity and Ethics
2. Breach of terms and conditions of employment and rules thereof
3. Intentional Financial irregularities, including fraud, or suspected fraud
4. Deliberate violation of laws/regulations

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5. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
6. Manipulation of company data/records
7. Theft of confidential/propriety information
8. Gross Wastage/misappropriation of Company funds/assets

DEFINITIONS

“Protected Disclosure” means a concern raised by an employee or group of employees of the Company, through 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. It 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.

“Employee” means every employee of the Company, including the directors in the employment of the Company.

“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 a person nominated/ appointed to receive protected disclosures from whistleblowers, maintaining records thereof, placing the same before the Board of Directors 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.

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ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company. Such person shall be Director or Employee 'at the time of making' Protected Disclosures under the Policy.

RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

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.

The Protected Disclosure should be submitted under a covering letter signed by the complainant 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 Managing Director in exceptional cases.

The contact details of the Vigilance Officer are as under:

Name: Mr. Rahul Yalamanchili, Whole-time Director

Address: Valens Molecules Private Limited, 202, S.V.'s Classic Residency, 6-3-853/2, Ameerpet, Hyderabad-500016.Telangana.

Email: rahul@valensmolecules.com

Protected Disclosure against the Vigilance Officer should also be addressed to the Managing Director of the Company as under:

Name: Mr. C.S.Ratna Prasad, Managing Director

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Address: Valens Molecules Private Limited, 202, S.V.'s Classic Residency, 6-3-853/2, Ameerpet, Hyderabad-500016.Telangana.

Email: ratnaprasad@valensmolecules.com

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. Anonymous / Pseudonymous disclosure shall not be entertained by 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 or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Board of Directors.

The Board of Directors, 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 an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Board of Directors deems fit.

Any member of the Board of Directors or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

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DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Vigilance Officer 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 Board.

A complainant who makes false allegations of unethical & improper practices, subject to the opinion of the Vigilance Officer or the Board of Director, shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.