

Anand Rathi Global Finance Limited



Vigil Mechanism and Whistle Blower Policy

Version	Approval	Version Description	Regulatory Reference
I	Board Meeting in its meeting dated 3 rd Sept 2021	Formation of Policy	Companies Act 2013 & Reserve Bank of India

Content of the Policy

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PREAMBLE

As a conscious and vigilant organization, Anand Rathi Global Finance Limited (ARGFL) believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

In its endeavor to provide its employees a secure and a fearless working environment, ARGFL has established the "Vigil Mechanism and Whistle Blower Policy". The said Policy aims to promote good corporate governance, instill faith and make the employees feel empowered about their decision to blow the whistle in order to voice their concerns in case of unethical behavior and / or actual or suspected fraud and / or misconduct and / or violation of ARGFL's Code of Conduct or ethics policy, without fear of reprisal.

The framework of the policy strives to build a successful whistleblower mechanism. This policy should be read in conjunction with applicable regulations & existing policies and procedures of ARGFL.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

1. POLICY OBJECTIVE:

- 1.1 To ensure that any employee including directors can freely communicate his / her grievances on matters related to unethical practices, actual or suspected fraud and violation of ARGFL's Code of Conduct or ethics policy.
- 1.2 To assure appropriate action is taken for resolution of the grievance reported under this mechanism.
- 1.3 To assure adequate safeguards are undertaken against victimization of the employees including directors who express their grievance under this mechanism.

2. DEFINITIONS:

- 2.1 "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013.
- 2.2 "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 is deemed to be fit considering the gravity of the matter.
- 2.3 "Employee" means every employee of the Company including the Directors in employment of the Company.
- 2.4 "Code" means the ARGFL Code of Conduct.
- 2.5 "Investigators" mean those persons authorized, appointed, consulted or approached by the

Vigil Officer to act as such;

- 2.6 “Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 2.7 “Subject” means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 2.8 “Whistle Blower” is someone who makes a Protected Disclosure under this Policy.
- 2.9 “Whistle Officer” means an officer who is nominated/appointed to conduct detailed investigation.
- 2.10 “Vigil Officer” will be a designated person for the purpose of receiving all complaints under this Policy and ensuring appropriate action. In the first instance, the Audit Committee shall appoint the designated person. The Chairman of the Audit Committee shall have the authority to change the designated person from time to time if need be.

3. COVERAGE OF POLICY:

- 3.1 The Policy covers malpractices and events of material value which have taken place/ suspected to take place involving:
- i) Abuse of authority
 - ii) Breach of contract
 - iii) Instance of ‘mis-selling’
 - iv) Negligence causing substantial and specific danger to public health and safety
 - v) Manipulation of company data/records
 - vi) Financial irregularities, including fraud, or suspected fraud
 - vii) Criminal offence
 - viii) Pilferation of confidential/propriety information
 - ix) Deliberate violation of law/regulation/non-compliance
 - x) Wastage/misappropriation of company funds/assets
 - xi) Breach of employee Code of Conduct or Rules
 - xii) Any other unethical, biased, favored, imprudent event
- 3.2 Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

4. DISQUALIFICATIONS:

- 4.1 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 disciplinary action.
- 4.2 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.

4.3 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 under Company's Code of Conduct.

5. **MANNER IN WHICH CONCERN CAN BE RAISED:**

5.1 Employees can make Protected Disclosure to the Vigil Officer, as soon as possible but not later than 30 consecutive days after becoming aware of the same, by sending an e-mail to the Vigil Officer at ashwanityagi@rathi.com

5.2 Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.

5.3 The Vigil Officer shall make an initial enquiry of the matter within 7 days of the receipt of the Protected Disclosure.

5.4 If initial enquiries by the Vigil Officer indicate that the concern or complaint has no basis, or it is not a matter to be investigated under this Policy, it may be dismissed at this stage and the decision is documented.

5.5 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Vigil Officer alone, or by a Whistle Officer / Agency / Team nominated by the Vigil Officer or Audit Committee for this purpose.

5.6 The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt and by providing every reasonable opportunity to the Whistleblower and the person(s) against whom grievance is raised.

5.7 Name of the Whistle Blower shall not be disclosed to the Whistle Officer.

5.8 The Vigil Officer /Whistle Officer /Agency / Team shall:

- i) Make a detailed written record of the Protected Disclosure. The record will include:
 - a) Facts of the matter
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether any Protected Disclosure was raised previously against the same Subject;
 - d) The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
 - e) Findings of Vigil Officer /Whistle Officer / Team / Agency;
 - f) The recommendations of the Whistle Officer / Team on disciplinary/other action/(s).
- ii) The Whistle Officer / Team shall finalise and submit the report to the Vigil Officer within 30 days of being nominated/appointed.

5.9 On submission of report, the Whistle Officer / Team shall discuss the matter with Vigil Officer who shall either:

- i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
- ii) In case the Protected Disclosure is not proved, extinguish the matter;

Or

Depending upon the seriousness of the matter, Vigil Officer may refer the matter to the Chairman of the Audit Committee with proposed disciplinary action/counter measures. The Chairman of the Audit Committee, if he thinks fit, may further refer the matter to the Audit Committee for necessary action with his proposal. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.

5.10 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairman of the Audit Committee by sending a duly signed letter to the following address:

The Chairman,
Audit Committee,
Address:
Express Zone, A-Wing,
10th Floor, Western
Express Highway,
Goregaon (E),
Mumbai – 400063.

6. PROTECTION:

6.1 Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.

6.2 The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

6.3 The identity of the Whistle Blower shall be kept confidential.

6.4 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

7. **SECRECY/CONFIDENTIALITY:**

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process 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 papers unattended anywhere at anytime
- e. keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

8. **REPORTING:**

The Vigil Officer shall submit a status report of the number of complaints received, redressed and pending to the Audit Committee on a half-yearly basis.

9. **RETENTION OF DOCUMENTS:**

All the relevant documents and findings shall be retained by ARGFL for its record and future reference.

10. **AMENDMENT:**

The Audit Committee of the Company shall recommend to the Board any amendments or modifications in this Policy in whole or in part, at any time without assigning any reason, whatsoever.