

**ANANDRATHI**

**ANAND RATHI WEALTH LIMITED**

**Vigil Mechanism and Whistle Blower Policy**

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## **Preamble**

As a conscious and vigilant organization, Anand Rathi Wealth Limited (ARWL) 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 employee a secure and a fearless working environment, ARWL has established the "Vigil Mechanism and Whistle Blower Policy".

The purpose of the policy is to create a fearless environment for the employees to report any instance of unethical behavior, actual or suspected fraud or violation of ARWL's code of conduct or ethics policy.

The framework of the policy strives to foster responsible and secure whistle blowing. This policy should be read in conjunction with applicable regulations & existing policies and procedures of ARWL. You can also contact the Secretarial Department if you have any questions or need any clarifications.

## **Preface**

- 1.1 The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.
- 1.2 The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 1.3 The Companies Act 2013, provides, a mandatory requirement, for all listed companies to establish a mechanism called "Vigil Mechanism and Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- 1.4 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.
- 1.5 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.

## **Policy**

- 2.1 This Policy is for the Employees as defined hereinafter.
- 2.2 The Policy has been drawn up so that Employees can be confident about raising a concern. The areas of concern covered by this Policy are summarized in paragraph 5.1.

## Definitions

- 3.1 "**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 and read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 3.2 "**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.
- 3.3 "**Employee**" means every employee of the Company including the Directors in employment of the Company.
- 3.4 "**Code**" means the ARWL Code of Conduct.
- 3.5 "**Investigators**" mean those persons authorized, appointed, consulted or approached by the Whistle Blower Committee to act as such;
- 3.6 "**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.
- 3.7 "**Subject**" means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 3.8 "**Whistle Blower**" is someone who makes a Protected Disclosure under this Policy.
- 3.9 "**Whistle Blower Committee**" or "**Committee**" means a Committee of persons who is nominated/appointed to conduct detailed investigation.
- 3.10. "**Whistle Officer**" is an officer appointed by the Whistle Blower Committee and who will receive all such Complaints under this Policy, and ensure appropriate action

## The Guiding Principles

- 4.1 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
- 4.1.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure are not victimized for doing so;
  - 4.1.2 Treat victimization as a serious matter including initiating disciplinary action on such person/(s) who practices victimization;
  - 4.1.3 Ensure complete confidentiality;
  - 4.1.4 Not attempt to conceal evidence of the Protected Disclosure;
  - 4.1.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
  - 4.1.6 Provide an opportunity of being heard to the persons involved especially to the Subject.

## **Whistle Blower Committee**

For effective implementation of this policy, a Whistle Blower Committee is constituted comprising of following members:

- Chief Financial Officer
- Deputy Chief Executive Officer
- Head-Human Resource
- Any other member as may be recommended by the Audit Committee, from time to time

The Chief Financial Officer shall be the Chairman of the Committee.

The Whistle Blower Committee shall operate under the supervision of the Audit Committee and has the right to periodically call for necessary reports from the Whistle Officer or any other person in relation to this Policy.

## **Coverage of Policy**

5.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Instance of 'mis-selling'
4. Negligence causing substantial and specific danger to public health and safety
5. Manipulation of company data/records
6. Financial irregularities, including fraud, or suspected fraud
7. Criminal offence
8. Pilferation of confidential/propriety information
9. Deliberate violation of law/regulation/non-compliance
10. Wastage/misappropriation of company funds/assets
11. Breach of employee Code of Conduct or Rules
12. Any other unethical, biased, favoured, imprudent event

5.2 Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

## **Disqualifications**

6.1 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.

- 6.2 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.
- 6.3 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.

### **Manner in which concern can be raised**

- 7.1 Employees can make Protected Disclosure to the Whistle Blower Committee, as soon as possible but not later than 30 days after becoming aware of the same, by sending an e-mail on [whistleblower@rathi.com](mailto:whistleblower@rathi.com) or by sending a complaint letter in a sealed envelope marked "Whistleblower – Private and Confidential" to the Whistle Blower Committee at Express Zone, A-Wing, 8<sup>th</sup> Floor, Western Express Highway, Goregaon-East, Mumbai-400063
- 7.2 In case of any disclosures pertaining to members of the Whistle Blower Committee, the Whistle-Blower shall address 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, 8<sup>th</sup> Floor,  
Western Express Highway,  
Goregaon (East), Mumbai - 400063
- 7.3 Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.
- 7.4 .If initial enquiries by the Whistle Officer indicate that the concern 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.
- 7.5 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Whistle Officer alone, or by the Whistle Blower Committee. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- 7.6 Name of the Whistle Blower shall not be disclosed to the Whistle Officer/ Whistle Blower Committee.
- 7.7 The Whistle Officer/Committee 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 Whistle Officer/Committee;
  - f) The recommendations of the Whistle Officer/ Committee on disciplinary/other action/(s).
- ii) The Whistle Officer/Committee shall complete the investigation and finalise the report within 30 working days from the receipt of the concern.

7.8 On finalization of report, the Whistle Officer/Committee shall either:

- i) In case the Protected Disclosure is proved, take such Disciplinary Action as they 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
- iii) Depending upon the seriousness of the matter, the same may be referred 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.

7.9 The decision taken by the Whistle Blower Committee or the Audit Committee (as the case may be) shall be final and binding.

## **Investigation**

- 8.1 Investigators are required to conduct a process towards fact - finding and analysis. Investigators shall derive their authority and access rights from the Whistle Blower Committee when acting within the course and scope of their investigation.
- 8.2 Technical and other resources may be drawn upon as necessary to augment the investigation. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of Legal and professional standards.
- 8.3 Investigations will be launched only after a preliminary review by the Whistle Blower Committee/Whistle Officer which establishes that:
- a) the alleged act constitutes prima facie an improper or unethical activity or conduct, and
  - b) the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of review.
- 8.4 The investigators are required to complete the investigation and submit the report in a manner and within the time frame specified by the Committee.

- 8.5 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, 8<sup>th</sup> Floor,  
Western Express Highway,  
Goregaon (East), Mumbai - 400063

### **Protection**

- 9.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. 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. 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.
- 9.2 The identity of the Whistle Blower shall be kept confidential.
- 9.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

### **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.

## **Reporting**

The Audit Committee is responsible for supervising the development and implementation of this Policy, including the work of the Whistle Blower Committee.

The Audit Committee shall periodically review the report on the Complaints received pursuant to this Policy.

## **Amendment**

In the event of any conflict between the provisions of this Policy and Act, rules, or statutory enactments, the provisions of such Act, rules or statutory enactments shall prevail over this Policy. Any subsequent amendment/modification in the Act or other applicable laws; the provision of this Policy shall be read and implemented in context of such amended/modified or clarified positions as the case may be.

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.

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