

Margdarshak Financial Services Ltd.

Whistle Blower Policy

2018

WHISTLE BLOWER POLICY
MARGDARSHAK FINANCIAL SERVICES Ltd.

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1. Preface

- 1.1. Margdarshak Financial Services Ltd. believes in conducting all affairs of its constituents in fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The company encourages and supports its directors and employees to report to the Management/Chairperson of the Audit Committee instances of unethical behaviour, actual or suspected, fraud or violation of the company's Code of Conduct or Ethics Policy.
- 1.2. The Code of Conduct for Margdarshak lays down guidelines for general ethical behaviour of staff and professionalism and diligence in performance of work. All employees of Margdarshak should adhere to professional behaviour in interactions both within the organisation as well as with clients and external parties. Any actual or potential violation of Code of Conduct, howsoever, insignificant, or perceived as such would be a matter of concern for the company.
- 1.3. 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.
- 1.4. Section 177 read with Rule 7 of The Companies (Meetings of Board and its Powers), 2014 and revised Clause 49 of the Listing Agreement, inter-alia, provides, a mandatory requirement, for all listed companies to establish a mechanism called "Vigil Mechanism (Whistle Blower Policy)" for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- 1.5. Towards this end, the company has adopted the Whistle Blower Policy pursuant to which employees of the company can raise their concerns on unethical and improper practices (not necessarily a violation of law) or any other wrongful conduct in the Company or of its employees.
- 1.6. Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach Head of Internal Audit & Control Department of the Company. This policy would also help to create an environment where individuals feel free and secure to raise the alarm where they see a problem. It will also ensure that whistle blowers are protected from retribution, whether within or outside the organisation.
- 1.7. The policy is not a route for taking up a grievance about a personal situation.

2. Definitions

- 2.1. **Employee:** Every employee of the Company, including the Directors in the employment of the Company.
- 2.2. **Whistle Blower:** Whistle Blower is someone who makes a Protected Disclosure under this policy.
- 2.3. **Disciplinary Action:** 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.
- 2.4. **Protected Disclosure:** Any communication made in good faith that discloses or demonstrates an intention or evidence of an ongoing spurious / unethical activity or any condition that may preempt occurrence of such activities
- 2.5. **Subject:** A person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 2.6. **Whistle Officer or Committee:** An officer or Committee of persons who is nominated/appointed to conduct detailed investigation.

3. The Guiding Principles

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

4. Coverage of Policy

- 4.1. The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - 4.1.1. Abuse of authority
 - 4.1.2. Breach of contract
 - 4.1.3. Manipulation of company records/data
 - 4.1.4. Financial irregularities including fraud or suspected fraud
 - 4.1.5. Criminal offence
 - 4.1.6. Pilferation of confidential/propriety information
 - 4.1.7. Wastage/misappropriation of company funds/assets
 - 4.1.8. Breach of employee Code of Conduct or Rules
 - 4.1.9. Accepting or seeking anything of material value from clients or related organisations
 - 4.1.10. Mistreatment of clients of the Company
 - 4.1.11. Indicates any incident/possible incident of sexual harassment at workplace
 - 4.1.12. Any other unethical, biased, favoured, imprudent event
- 4.2. Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

5. Disqualification

The following instances would constitute a violation of the Whistleblower Policy.

- 5.1. Bringing to light personal matters regarding another person, which are in no way connected to the organization
- 5.2. 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.
- 5.3. 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.
- 5.4. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 2 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy and action will be initiated against him/her.
- 5.5. Actions against such violations could range in their severity, if necessary even extending up to termination of one's employment/ contract/ association with the organization.

6. Procedure of Escalation

- 6.1. Employees can make Protected Disclosure to Head of Internal Audit & Control as soon as possible but not later than 30 consecutive days after becoming aware of the same. Head of Internal Audit & Control will inform the CEO about the complaint.
- 6.2. If the complaint is against Head of Internal Audit & Control than it should be reported to the CEO/Chairman of the Board for investigation.
- 6.3. Whistle Blower should make Protected Disclosure preferably in writing and should put his/her name to allegations. This is to ensure that no malaise, frivolous, baseless allegations are made. Concerns expressed anonymously WILL NOT BE ENTERTAINED.
- 6.4. If initial enquires by Head of Internal Audit & Control indicate that the concern has no basis, or it is not a matter to be investigated or pursued under this policy, it may be dismissed at this stage and the decision is documented.
- 6.5. Where initial enquires indicate that further investigation is necessary, this will be carried through either by the Head of the Internal Audit & Control, or by a Whistle officer/Committee nominated by Head of Internal Audit & Control or/and CEO for this purpose. The investigation would be carried out in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made by Whistle Officer/Committee.
- 6.6. Name of the Whistle Blower shall not be disclosed to Whistle Officer/Committee
- 6.7. Investigations must begin within 7 days of the receipt of the complaint
- 6.8. Whistle Officer/Committee shall finalise and submit the report to Head of Internal Audit and CEO within 15 days of being nominated/appointed.
- 6.9. On submission of report Whistle Office/Committee shall discuss the matter with Head of Internal Audit & Control who shall either:
 - 6.9.1. In case the Protected Disclosure is proved, accept the findings of the Whistle Office/Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
 - 6.9.2. In case the Protected Disclosure is not proved, extinguish the matter;
 - 6.9.3. Depending on the seriousness of the matter, Head of Internal Audit may refer to the Committee of Directors (Whole Time Directors) with proposed disciplinary action/counter measures. The Board may decide the matter as it deems fit.
- 6.10. In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, s/he can make a direct appeal to the Chairman of the Audit.

7. Protection

- 7.1. 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 behavior 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.

- 7.2. The identity of the Whistle Blower and Subject shall be kept confidential.
- 7.3. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

8. Secrecy/Confidentiality

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

- 8.1. Maintain complete confidentiality/ secrecy of the matter
- 8.2. Do not discuss the matter in any informal/social gatherings/ meetings
- 8.3. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- 8.4. Keep the documents, emails, records related to the matter confidential

9. Decision

If an investigation leads the Head of Internal Audit and Control Department to conclude that an improper or unethical act has been committed, the Head of Internal Audit and Control Department shall recommend to the management of the Company to take such disciplinary or corrective actions as they deem fit.

10. Reporting

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

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