

# **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

**SRS FINANCE LIMITED**

**(Adopted on 04.09.2014)**



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## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

### **1. Preface**

- 1.1 The Company believes in the conduct of the affairs of its constituents with honesty, integrity and trust by adopting highest standards of professionalism to ensure fairness and transparency. Towards this end, the Company has adopted 'the Code of Business Conduct and Ethics' that is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.
- 1.2 Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia provides for all listed companies to establish a mechanism called Vigil Mechanism/Whistle Blower Policy for the directors, 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.
- 1.3 The purpose of this policy is to provide employees & stakeholders including individual employees and their representative bodies, a framework and to establish a formal mechanism or process whereby concerns can be raised about event of misconduct, unacceptable practices and/or serious irregularities within the Company.
- 1.4 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.

### **2. Definitions**

The definitions of some of the key terms used in this policy are given below: -

- 2.1 'Compliance Officer' shall be the Company Secretary and/or any other person designated as Compliance Officer by the Board of Directors of the Company.
- 2.2 'Disciplinary Action' means any action that can be taken on the completion of/during the investigation proceedings including but not limiting to warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit for considering the gravity of the matter.
- 2.3 'Employee' means every employee of the Company including Directors in the employment of the Company but excludes Contractors, Subcontractors, Consultants, Outsourced and Temporary employees.
- 2.4 'Ethics Committee' means a Committee comprising of Chief Financial Officer (CFO) and Compliance Officer of the Company and Head- Human Resource Department (SRS Group) for the purpose of receiving and investigating all concerns and Protected Disclosures under this Policy.
- 2.5 'Investigators' means those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the Auditors of the Company and the Police, if required.



- 2.6 'Protected Disclosure' means disclosure of certain information in the nature of concern raised by a written/oral communication made in good faith that evidences unethical or improper activity.
- 2.7 'Subject' means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 2.8 'Whistle Blower' is someone who discloses a Protected Disclosure under this policy.

### 3. The Guiding Principles

To ensure that this Policy is adhered to and the concerns raised will be acted upon seriously, the Company will: -

- Ensure that the Whistle Blower or the person processing the Protected Disclosure is not victimized for doing so;
- Treat victimization as a serious matter including initiating disciplinary action on such person(s);
- Ensure complete confidentiality;
- Not attempt to conceal evidence of the Protected Disclosure;
- Take disciplinary action against the person who destroys or conceals evidence of the Protected Disclosures made/to be made;
- Provide an opportunity of being heard to the persons involved especially to the Subject.

### 4. Scope of Policy

The Policy covers the concerns which are malpractices and events which have taken place/suspected to have taken place including but not limited to:-

- ✓ Abuse of authority by an employee or biased or partial approach or behavior;
- ✓ Breach of contract/trust with the Company;
- ✓ Negligence causing substantial and specific danger to public health, safety & environment;
- ✓ Manipulation of Company's data/records;
- ✓ Unethical, unfair actions and mala fide actions concerning vendors & suppliers of the Company;
- ✓ Disclosure/pilferation of confidential/proprietary/price sensitive information to unauthorized personnel;
- ✓ Financial irregularities, including fraud or suspected fraud;
- ✓ Criminal activity or offence;
- ✓ Deliberate violation of laws/regulations;
- ✓ Wastage/misappropriation of Company's funds/assets;
- ✓ Breach of Code of Conduct of the Company;
- ✓ Any other unethical or fraudulent activity.

Policy should not be used as a grievance procedure or be a route for raising malicious or unfounded allegations against colleagues.



## 5. Disqualification

- 5.1 The Company condemns any kind of discrimination, harassment, victimization or any other unfair practice being adopted against Whistle Blower who may be an Employee and/or a Business Associate.
- 5.2 However, this Policy should not be misused by the Employees and the Business Associates to make frivolous or malicious or bogus disclosure to the Whistle Officer or Ethics Committee.
- 5.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be malafide or frivolous or malicious or bogus, will be disqualified from reporting further Protected Disclosures under this Policy for such period as the Ethics Committee may impose and will be penalized or disciplinary action will be taken against them, in a manner which may be decided by the Ethics Committee.

## 6. Manner in which concern can be raised

- a) All Protected Disclosures related to financial/accounting matters should be addressed to the Whole-Time Director & Chief Financial Officer (CFO) of the Company at the following address: -

Sh. Naveen Kumar Tayal  
SRS Tower, 3<sup>rd</sup> Floor,  
Near Metro Station Mewla Maharajpur,  
G. T. Road, Faridabad (NCR Delhi)-121003  
Email#naveentayal75@yahoo.in

- b) All other Protected Disclosures should be addressed to the Compliance Officer (CO) at the following address: -

Ms. Rakhi Mehta  
SRS Tower, 3<sup>rd</sup> Floor,  
Near Metro Station Mewla Maharajpur,  
G. T. Road, Faridabad (NCR Delhi)-121003  
Ph#0129-4323118  
Email#rakhimehta@srsparivar.com

- c) In exceptional cases, the protected disclosures may be addressed to the Chairperson of the Audit Committee.
- d) The Whistle Blower should make Protected Disclosure as soon as possible, but not later than 30 days after becoming aware of the same.
- e) If Protected Disclosure is received by any employee of the Company other than CFO/CO, the same shall be forwarded to CFO/CO as the case may be, for further appropriate action.
- f) The Protected Disclosure should preferably be in writing so as to ensure a clear understanding of the issues raised and should either be in Hindi/English or the Regional Language of the Place, where Whistle Blower is employed.



- g) Whistle Blower must put his/her name while raising his/her concern. However, appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- h) Protected Disclosure should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for the proper assessment of the nature and extent of the concern.
- i) If initial enquiries by the CFO/CO 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. Investigation

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by CFO/CO.
- b) The CFO/CO may, at his discretion, involve other Investigator(s) for the purpose of investigation.
- c) The decision to conduct an investigation by CFO/CO is by itself not an accusation and is to be treated as a neutral fact finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d) The identity of the Subject and Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e) Subject will normally be informed about the allegations at the outset of a formal investigation and has opportunities for providing his inputs during the investigation.
- f) Subject shall have a duty to co-operate with CFO/CO or any other Investigator during investigation to the maximum extent possible and that such co-operation will not compromise his self-respect.
- g) Subject has a right to consult with any person other than Ethics Committee and/or Whistle Blower. He shall be free to engage counsellor at his own cost at any time during investigation. However, if the allegations against the Subject are not sustainable, then the Company may reimburse such cost to the Subject.
- h) Subject(s) have a responsibility not to interfere with the investigation. Evidences shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subject(s).
- i) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.



j) Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and Company.

k) The CFO/CO shall: -

1) Make a detailed written record of the Protected Disclosure, that will include-

- Facts of the matter;
- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- Whether any Protected Disclosure was raised previously against the same Subject;
- The financial/otherwise loss which has been incurred/would have been incurred by the Company.
- Findings of CFO/CO or any other Investigator;
- The recommendations of the CFO/CO on disciplinary/other action to be taken.

2) Finalize and submit its report to the Ethics Committee within 15 days of being assigned for the task.

l) On submission of the Report, the Ethics Committee shall discuss the matter and: -

In case the Protected Disclosure is proved, accept the findings of the CFO/CO or Investigator and take such Disciplinary Action as it may think fit and take preventive measures to avoid reoccurrence of the matter;

In case the Protected Disclosure is not proved, the Committee may extinguish the matter or depending upon the seriousness of the matter, may refer the matter to the Managing Director or in case of Protected Disclosure against the Managing Director, to the Chairman/any Whole-Time Director with proposed disciplinary action.

m) In exceptional cases, where 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, who will further investigate the matter.

n) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

## 8. Protection

a. No unfair treatment will be given 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 Blowers. Complete protection



will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, 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.

- b. A Whistle Blower may report any violation of the above clause to the Committee of Directors, who shall investigate into the same and recommend suitable action to the management.
- c. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

#### 9. Secrecy/Confidentiality

The Whistle Blower, the Subject, the CFO/CO and every person involved in the process shall: -

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

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

#### 11. Retention of Documents

All protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 8 (Eight) years or such other period as specified by any other law in force.

#### 12. Administration and Review of the policy



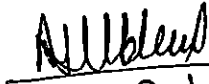
The Board of Directors shall be responsible for the administration, interpretation, application and review of this policy. The Board also shall be empowered to bring about necessary changes to this policy, if required at any stage with concurrence of the Audit Committee.

13. Amendment

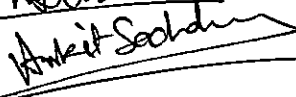
The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

For SRS Finance Limited

Dr. Anil Jindal



Sh. Ankit Sachdeva



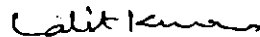
Sh. Naveen Kumar Tayal



Sh. Praveen Sharma



Sh. Lalit Kumar



Ms. Garima

