

# **DHARANI FINANCE LIMITED**



## **Vigil Mechanism and Whistle Blower Policy**

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- 1) The Company believes in the conduct of all its affairs in a fair and transparent manner by adopting the highest standards of professionalism, integrity and ethical behaviour. This policy has been included in the Code of Conduct for the Management and all its employees. Any actual or potential violation of the Code will be a matter of serious concern. The role of Directors/employees in pointing out any violations of the Code cannot be under estimated. Section 177(9) of the Companies Act 2013 has mandated establishing a vigil mechanism for directors and employees of all listed companies and such other class of Companies to report genuine concerns. The Rules and also clause 49 of the Listing Agreement with stock Exchanges also require that the Company discloses the details of the vigil mechanism in the Company's website and also in the Board's Report to the Shareholders. Establishing this whistle blower policy, will help employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

**Policy: - This policy has been designed to provide a frame work to promote responsible and secure whistle blowing i.e., by the directors and employees of the PGP Group raise a concern about serious irregularities within the Company. This is not a route for taking up any personal grievance.**

2) **Guiding Principle:**

- (i) To ensure that this policy is adhered to and to ensure that the concerns reported are acted upon seriously and confidentially
- (ii) that the whistle blower is not victimized for reporting this concern
- (iii) to treat victimization as a serious matter
- (iv) the matter will be kept confidential
- (v) provide an opportunity of being heard to the persons involved including the subject

3) **Coverage:**

This policy covers malpractices and events, which have taken place/or is suspected to take place, involving:

- a) abuse of activity
- b) breach of contract
- c) Negligence causing substantial danger to public health and safety
- d) Manipulation of Company data/records
- e) financial irregularities including fraud or suspected fraud
- f) Criminal Office
- g) Pilferation of confidential/proprietary information

- h) Deliberate violation of Law/Regulation
  - i) Wastage / misappropriation/pilferage of Company funds/assets
  - j) Breach of employee code of conduct or rules
  - j) Any other unethical biased, favoured imprudent event. The policy is not to be misused for raising unfounded malicious allegations against colleagues.
- 4) It will be ensured that genuine whistle blowers are accorded complete protection from any kind of unfavour treatment. Any abuse of this protection will, however, invite disciplinary action. Protection will not mean protection from disciplinary action arising out of false or bogus allegation made by a whistle blower knowing it to be false or bogus or with a malafide intention.
- 5) a. Employees can make protected disclosure to the nominated ombudsperson as soon as possible but not later than 30 consecutive days after becoming aware of the incident. Whistle Blower must reveal their names while making the allegations. Anonymous complaints will not be considered.
- b.
- i) If initial enquiries by the ombudsperson 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 decision recorded.
  - ii) If such inquiries indicate that further investigation is warranted or necessary this will be carried through the ombudsperson or by a whistle blower/committee nominated by the ombudsperson for this purpose. The investigation will be conducted in a fair manner without bias and without presumption of guilt. A written report of the findings will be made.
  - iii) Name of the whistle blower shall not be disclosed to the whistle officer or committee.
- 6) The ombudsperson/whistle blower/Committee shall make a detailed written record of the protected disclosure. This record will contain the following:
- a) Fact of the matter;
  - b) Whether the same protected disclosure was raised previously by any one and if so, the outcome thereof;
  - c) Financial or otherwise loss incurred or likely to be incurred by the Company;
  - d) Findings of the ombudsperson/whistle officer/committee;
  - e) Recommendations by the ombudsperson/whistle officer/committee on disciplinary or other action;
- 7) The whistle officer/committee shall finalize and submit the report to the ombudsperson within 15 days of being nominated or appointed. After submission of the report, the whistle officer/committee shall discuss the matter with the ombudsperson, who shall –

i) in case the protected disclosure is proved, accept the findings of the whistle officer/committee and take such disciplinary action as he may think fit and also take preventive measures to avoid any recurrence.

ii) in case the protected disclosure is not proved, close the matter or if the matter is serious, refer to the committee of whole-time directors. The committee of directors may refer the matter to the Audit Committee, who can further place the matter before the Board

iii) In very exceptional cases, if the whistle blower is not satisfied with the outcome of the investigation and the decision, he can make a direct appeal to the Chairman of the Audit Committee.

**8) Protection:**

No unfair treatment will be meted out to a whistle blower, nor shall he be victimized. The Company, as a policy, will not tolerate any kind of discrimination, harassment or any other unfair employment practice being adopted against the whistle blower. Complete protection will be given to the whistle blower against any such unfair practice. The identity of the whistle blower and any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the whistle blower.

**9) Secrecy:** The whistle blower, the subject, the whistle blower officer and everyone involved in the process –

a) shall maintain complete confidentiality of the matter

b) shall not discuss the matter in any informal/social gatherings/meetings

c) shall discuss only to the extent or with the persons required for the purpose of completing the process and investigations

d) shall not keep the concerned papers unattended anywhere at any time.

e) shall keep the electronic mails/files under password and shall not reveal the passwords. If anyone is found not complying with the above, he shall be liable for disciplinary action as considered it.

**10)** A quarterly report about the number of complaints received under this policy and their outcome shall be placed before the Audit Committee and the Board.

If the investigation leads to the conclusion of improper/unethical act, suitable disciplinary action shall be taken against the concerned person.

**11)** Retention of the Documents: Protected disclosures in writing or documents along with the results of investigation shall be retained by the company for a minimum period of 10 years.

**12)** Modifications: The Managing Director of the Company has to right to amend or modify this policy in whole or in part at any time without assigning any reasons.

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