

VIGIL MECHANISM / WHISTLE BLOWER POLICY OF NIRMAL BANG SECURITIES PRIVATE LIMITED

1) PREFACE

Section 177 of the Companies Act, 2013 and the Rules thereunder, prescribes that (a) every listed company, (b) the Companies which accept deposits from the public and (c) the Companies which have borrowed money from banks and public financial institutions in excess of Rupees Fifty Crores, shall establish a Whistle Blower policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, however insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases.

2. POLICY OBJECTIVES

The Company believes that good communication between Employees and Management at all levels throughout the organisation promotes better work practice. The Company has adopted work culture which ensures highest standards of professionalism, honesty, integrity, moral and ethical behavior. However, we acknowledge that all organisations face the risk of their activities going wrong from time to time, or of unknowingly harbouring malpractice. On this basis, employees are encouraged to raise genuine concerns about malpractice in the workplace without fear of reprisals and the Company will protect them from victimization and dismissal.

3. SCOPE OF THE POLICY

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. 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.

4. DEFINITIONS:

4.1 “Audit Committee” means Mr. Kishore Bang and Mr. Dilip Bang the members of the Board of Directors of the Company.

As per Rule 7 of Section 177(Audit Committee) of the Companies Act, 2013 ,in our case ,the Company’s Board of directors shall nominate a director to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns. Hence, the word Audit Committee wherever appearing in the policy shall be considered to be referred to Mr. Kishore Bang and Mr. Dilip Bang members of the Board.

4.2 “Employee” means every employee of the Company, including the Directors in the employment of the Company.

4.3 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. Protected Disclosures should be factual and not speculative in nature.

4.4 “Code” mean Conduct for Directors and Senior Management Personnel adopted by Nirmal Bang Securities Private Limited.

4.5 “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.

4.6 “Whistle Blower” means an Employee making a Protected Disclosure under this Policy.

4.7 “Whistle and Ethics Officer” means an officer of the company nominated by Competent Authority to conduct detailed investigation under this policy and to receive protected disclosure from Whistle blowers, maintain record thereof, placing the same before the Audit Committee for its disposal and informing the Whistle blower the results thereof.

4.8 “Company” means “Nirmal Bang Securities Private Limited”.

4.9 “Reportable Matter” means a genuine concern concerning actual or suspected: a. fraudulent practices, such as improperly tampering with books and records, or theft of company property; b. corruption, including bribery and money laundering; c. breaches of the Code of Conduct. Please note that complaints concerning personal grievances, such as professional development issues or Employee compensation, are not Reportable Matters for purposes of this Policy
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5. ESTABLISHMENT OF VIGIL MECHANISM

The Company shall setup a Vigil Mechanism under the surveillance of the Audit Committee.

6. ELIGIBILITY

All Employees of the Company and various stakeholders of the company are eligible to make Protected Disclosures under the Policy in relation to the reportable matters concerning the Company.

7. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

- All Protected Disclosures concerning financial/accounting matters should be addressed to the Audit Committee of the Company for investigation.
- If a protected disclosure is received by any executive of the Company other than Audit Committee, the same should be forwarded to the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Complainant confidential.
- Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Complainant. In case of urgent matters, the whistle blower/complainant may communicate verbally (through Phone or in person) but he/she must put the case in writing at the first available opportunity.
- The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Complainant. The Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- Protected Disclosures 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 proper assessment of the nature and extent of the concern.
- For the purpose of providing protection to the Complainant, the Complainant should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- Anonymous reporting shall not be entertained as it is usually impractical to investigate a complaint which has been made anonymously. However the whistle blower / complainant may seek the advice of the Committee and based on the advice sought, formally record the complaint.
- Upon receipt of the complaint the member/s shall ascertain the authenticity, correctness and credibility of complaint and source, shall recommend necessary corrective measures.
- Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their input during the investigation.
- Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

8. INVESTIGATION

8.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle and Ethics Officer of the Company who will investigate / oversee the investigations under the authorization of the Audit committee. Audit Committee / Whistle and Ethics Officer may at its discretion consider involving any investigators for the purpose of Investigation.

8.2 The decision to conduct an investigation taken into a Protected Disclosure by itself is not an acceptance of the accusation by the Authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.

8.3 The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of the investigation.

8.4 Unless there are compelling reasons not to do so, Subjects will be given reasonable opportunity for hearing their side during the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

8.5 Subjects shall have a duty to co-operate with the Whistle and Ethics Officer / Audit Committee during investigation to the extent that such co-operation sought does not merely require them to admit guilt.

8.6 Subjects shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.

8.7 Subjects shall have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

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

8.9 Whistle and Ethics Officer shall normally complete the investigation within 90 days of the receipt of protected disclosure.

8.10 In case allegations against the subject are substantiated by the Whistle and Ethics Officer in his report, the Audit Committee shall give an opportunity to Subject to explain his side.

9 PROTECTIONS AGAINST VICTIMISATION

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 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.

9.2 A Whistle Blower may report any violation of the above clause to the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

9.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

9.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

10. SECRECY / CONFIDENTIALITY

10.1 The complainant, Whistle and Ethics Officer, Audit Committee, the Subject and everybody involved in the process shall:

- Maintain confidentiality of all matters under this Policy
- Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- Not keep the papers unattended anywhere at any time
- Keep the electronic mails / files under password.

11. DECISION

11.1 If an investigation leads the Whistle and Ethics Officer / Officer of the Audit Committee to conclude that an improper or unethical act has been committed, the Whistle and Ethics Officer / Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11.2 If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Whistle and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

12. SUGGESTIVE ACTIONS

The following punitive actions could be taken against associates, where the committee finds the accused guilty:

- Counseling & Warning letter;
- Withholding of promotion / increments;
- Termination
- Bar from participating in bonus review cycle;
- Legal suit

The above are only suggestive and the Committee may decide on the actions to be taken on a case to case basis depending on the gravity of the offence.

13. REPORTING

11.1 The Whistle & Ethics officer shall submit a report to the the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

14. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

14.1 The Whistle Blower shall have right to access the Audit Committee directly in exceptional cases and the Audit Committee is authorized to prescribe suitable directions in this regard.

15. COMMUNICATION

15.1 A whistle Blower policy cannot be effective unless it is properly communicated to employees. The policy should be published on the website of the company.

16. RETENTION OF DOCUMENTS

16.1 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 7 (seven) years or such other period as specified by any other law in force, whichever is more.

17. ADMINISTRATION AND REVIEW OF THE POLICY

17.1 A quarterly report about the functioning of the Whistle Blower Mechanism shall be placed before the Audit Committee. A quarterly status report on the total number of compliant received if any during the period with summary of the findings of Whistle and Ethics Officer / Audit Committee and corrective steps taken should be send to the Board of Directors of the Company . The Chief Executive Officer shall be responsible for the administration, interpretation, application and review of this policy.

18. DISQUALIFICATIONS:

Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company / Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

19. AMENDMENT

19.1 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 and Directors unless the same is notified to them in writing.