

1. INTRODUCTION: Arth Padarth Factors and Finance Pvt. Ltd. (hereinafter referred to as 'Company') believes in conducting all affairs of its constituents in a fair and transparent manner by adopting the highest standards of honesty, professionalism, integrity, and ethical behaviour. The company is committed to developing a culture where it is safe for any person to raise concerns about any illegal, unethical or unacceptable practice that may be prevalent in the company or any event of misconduct in the course of business operations. Further, section 177 of the Companies Act, 2013 as well as SEBI (Prohibition of Insider trading) (Amendment) Regulations, 2018 also requires establishment of a vigil mechanism. Accordingly, Company has established a Whistle Blower Policy as detailed in this document below.

2. PURPOSE: The purpose of this Policy is to provide a framework to promote responsible and secure whistle blowing. It provides a mechanism where concerns can be raised, investigated, and redressed. It protects the Whistle Blower wishing to raise a concern about irregularities within the company. This will improve the systems and procedures and enhance the overall integrity and performance of the organization through transparent policies and effective procedures. It will also encourage all employees to report improper or unethical practices without any fear of retaliation. The Policy neither releases Whistle Blowers 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.

3. SCOPE: This policy is all inclusive and covers everybody related to Arth Padarth Factors and Finance Pvt. Ltd. It is applicable to Directors, General Manager, Senior Managers and all employees – permanent / contract / temporary and also support/outsourced staff or entities working for or on behalf of company, also including suppliers, vendors, advisors, lawyers and external auditors, as well as our customers. This policy shall not be used for raising malicious or unfounded allegations against other employees.

4. COVERAGE OF THE POLICY: This Policy covers all malpractices and events that have taken place or suspected to have taken place involving, but not limited to the following.

- Fraudulent activities or activities in which there is suspected fraud.
- Financial or compliance irregularities including fraud or suspected fraud
- Intentional or deliberate non-compliance and/or violation of law, rules, regulations and policies
- Breach of applicable Code of Conduct.
- Manipulation of company's data / records.
- Misuse/ Abuse of authority
- Pilferage of confidential/propriety information
- Breach of contract
- Criminal offences having repercussions on the company or its reputation.
- Misappropriation / misuse of company's funds/assets
- Graft
- Any other unethical, biased, or imprudent deed or behavior.

However, the Policy does not cover:

- Protected Disclosures that are frivolous in nature.
- Issues relating to personal grievance (increment, promotion, etc.)
- Sexual harassment which is covered by the Policy on Prevention of Sexual Harassment.

Also, this Policy shall not be used in place of Company Grievance Procedure or be a route for raising malicious or unfounded allegations against colleagues

5. DEFINITIONS

Audit Committee: means the Committee constituted by the Board of Directors of the company in accordance with the provisions of the Companies Act, 2013, Banking Regulation Act, 1949 and other applicable Law, rules or regulations.

Whistle Blower: means an employee, Director, customer, or any other stakeholder to whom this policy is applicable and who makes a Protected Disclosure under this Policy. Whistle Blower is not entitled to investigate or to determine the appropriate corrective or remedial action that may be warranted.

Protected Disclosure: means a concern raised by a written/oral communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity with respect to the company, and described more particularly in section 4 . Protected Disclosures should be factual and not speculative in nature and must contain as much specific information as is possible to allow for a proper assessment of the nature and extent of the concern and the urgency for a preliminary investigation.

Subject: means a person or a group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

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.

Vigilance Officer: means an Officer of the company nominated by Competent Authority to receive Protected Disclosures from Whistle blowers, maintain record thereof, conduct investigation under this Policy, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the results thereof.

Employee: means every employee of the company including contractual/outsourced staff.

Director: means a Director on the Board of Directors of the company, whether whole-time or otherwise.

GUIDING PRINCIPLES

As regards the role of the Whistle Blower:

- I. The role of the Whistle Blower is only that of a reporting party, citing the reasons / basis of such reporting under the provisions of this Policy.
- II. The Whistle Blower shall not act as Investigator at any time, nor would he/she be entitled to prescribe remedial actions / penalties etc.
- III. while the Whistle blower may be called upon to co-operate with the company's VO/WBRO or Audit committee on their specific request in the course of investigation, he/she cannot seek their audience as a matter of right.

A. As regards the Company:

In order to ensure that this Policy is adhered to, and to assure that the concerns raised under this Policy will be acted upon seriously, the Company will.

- Ensure that the Whistle Blower and/or the person reporting the Protected Disclosure is not victimized.
 - Ensure complete confidentiality of the identity of the Whistle Blower.
 - Not attempt to conceal evidence of the Protected Disclosure.
 - Take disciplinary action if anyone attempts to destroy or conceal evidence of the Protected Disclosure made/to be made.
 - Provide an opportunity of being heard to the persons involved, especially to the Subject.
 - Ensure disciplinary action is taken against person(s) found guilty pursuant to requisite investigation.
- Treat victimization of Whistle Blower as a serious matter and initiate disciplinary action against person(s) causing or allowing victimization of Whistle Blower.

- **ROLES AND RESPONSIBILITIES**

The overall responsibility of monitoring the implementation of the Whistle Blower Policy will be that of the Audit Committee of the Board.

Employees:

All employees have a responsibility to report any known or suspected activity as defined under this policy.

WBRO:

- Act as a point of contact for employees to handle queries, provide assistance or support during the disclosure process.
- Impartially assess the allegation and determine whether it is a disclosure made in accordance with the procedures set in this policy.
- Take all necessary steps to ensure the identity of the whistle blower and the identity of the person/s subject to the allegation remain confidential.
- Carrying out the necessary investigation resulting from a disclosure.
- Liaise with the Internal Audit if deemed necessary.
- Establishing and maintaining a confidential filing/reporting system.
- Consolidating, filing, and retaining all records of breaches or suspected breaches received, together with the status / results of investigations
- Reporting to the Board / Audit Committee on status of breaches or suspected breaches raised
- Reporting major breaches or suspected breaches to the Board / Audit Committee
- Taking all the necessary steps to ensure the private disclosure process is fair and just.
- If a disclosure leads to the detection of an improper practice which constitutes a crime or a contravention under any applicable law, the WBRO may need to report the same to appropriate authorities.

6. Reporting process and Hierarchy

1. The person concerned has a choice of communication channels to be used for whistle blowing. If deemed necessary by the person, then he/she may bypass the normal channels and hierarchy for reporting of concern.
2. Employees should normally raise concerns with their line manager who would notify one of the designated officers of the company. The Division Head, the General Managers, the Deputy Chief Executives, the Chief Executive and the Chairman of the Audit and Compliance Committee are the designated officers for this policy. However, if for some reason the employee does not feel comfortable to report through his manager, then he/she has the right to take his concerns directly to the Division Head.
3. If the person is not comfortable to report/discuss with the Division Head then he can report to the General Managers, the Deputy Chief Executives, or directly to the Chief Executive.
4. Depending on the seriousness and sensitivity of the issues involved the whistle blower may directly approach the Chairman of the Audit and Compliance Committee with the concerns.
5. A member of the Board may raise his concerns to the Chairman of the Audit and Compliance Committee or to the Chairman of the Board.
6. Concerns may be raised verbally or in writing. Staff who wish to make a written report are encouraged to provide information on following lines on a plain paper/e-mail
 - the background and history of the concern (giving relevant dates)
 - the reason why they are particularly concerned about the situation.
7. Although the whistle blower is not expected to prove beyond doubt the truth of an allegation, he/she will need to demonstrate to the official contacted (Division Head/General Managers/ Deputy Chief Executives/ Chief Executive/Chairman of Audit and Compliance Committee) that there are reasonable grounds for concern.

7. Dealing with reports/Complaints

1. Company is committed to investigating and addressing all reported cases under this policy.
 2. In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (such as HR grievance procedures, complaints procedure etc.) should normally be referred by the employee or the designated officer to concerned official under those procedures.
 3. The company shall seek explanation or solicit submission from the Subject on the protected Disclosure or give reasonable opportunity to the subject to respond to material findings from the investigation.
 4. Some concerns may get resolved/addressed without the need for detailed investigation. If urgent administrative action is required, then required steps will be taken by the designated official before any investigation is conducted.
 5. The amount of contact between the officers considering the issues and the whistle blower will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided. If necessary, further information would be sought from the whistle blower
 6. After preliminary examination, where appropriate and after Chief Executive's approval, the matters raised may be:
 - investigated by Management, Internal Audit, or by other official as deemed appropriate; They may call for any information/document and explanation from any director, employee or other persons as deemed fit, for the purpose of the investigation.
 - referred to the police.
 - referred to the External Auditor or Audit and Compliance Committee of the Board.
 7. The Company will take steps to minimise any difficulties which the whistle blower may experience as a result of raising a concern. For instance, if the whistle blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for him/herself to receive advice about the applicable procedures.
 8. The Company accepts that the whistle blower needs to be assured that the matter has been properly addressed. Therefore, subject to legal and confidentiality constraints, the Company will inform the whistle blower of the outcome of any investigation.
 9. The investigation shall be completed within reasonable time of receipt of the Protected Disclosure.
8. **Secrecy/Confidentiality:** The Whistle Blower, the Subject, the Vigilance Officer and other investigators 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 any time
 - 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.

9. Reporting

The Vigilance Officer shall report the details of the Protected Disclosures to the Audit Committee together with the results of investigations and recommendations for its consideration. After considering the report and the recommendations, the team shall decide the course of further action. A review of the cases received under Protected Disclosure, actions including disciplinary

action taken and mitigants put in place will be placed before the Board at least once a year.

10. Record Keeping

All documents including the Investigation Reports relating to Protected Disclosures shall be maintained by the company for a period of eight years or such other period as specified by any other law in force, whichever is more.

11. Policy review and Updates

This Policy shall be reviewed by the Audit Committee as and when required or at least annually for incorporating regulatory updates and changes, if any. Modifications, if any, recommended by the Audit Committee of the Board shall be put up to the Board for approval.