

## Vigil Mechanism Policy

### Vigil Mechanism as per Companies Act, 2013

#### 1. PREFACE

1.1 Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Power) Rules, 2014 inter alia states that every

(a) Listed company

(b) The company which accept deposits from the public

(c) The company which have borrowed money from banks and financial institutions in excess of fifty crores rupees

Shall establish a vigil mechanism for the directors and employees to report genuine concerns or grievances.

1.2 The vigil mechanism provides a channel especially to the employees of the Company to report to management, concerns about unethical behaviour, actual or suspected fraud or violation of this policy. Such a mechanism is intended to provide for adequate security against victimization of employees who may use such a mechanism and make provision for direct access to top-level management of the Company.

1.3 Under these circumstances, **Pune E Stock Broking Limited (“PESB”)** a Company registered under Companies Act, 1956 having its registered office at 1198, Shukrawar Peth, Shubhash Nagar Lane no 3, Near Hira Baug, Pune 411002 being a **Public Limited Company** proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same due to borrowing criteria.

#### 2. POLICY OBJECTIVES

The Company is committed to adhering to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the director designated for this purpose in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and/or colleagues in general.

#### 3. SCOPE OF THE POLICY

This Policy covers 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.

#### 4. DEFINITIONS

“**Alleged wrongful conduct**” shall mean the violation of the law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.

“**Board**” means the Board of Directors of the Company.

“**Company**” means **Pune E Stock Broking Limited (“PESB”)** and all its offices.

“**Designated Director**” means designated director nominated by the Board to play the role of the audit committee for the purpose of Vigil Mechanism.

“**Employee**” means all the present employees and whole-time directors of the Company (Whether working in India or abroad).

“**Policy**” means the vigil mechanism policy of the company

“**Protected Disclosure**” means a concern raised by an employee or group of employees of the Company, through written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “scope of the policy” with respect to the Company. It should be factual and not speculative or in the nature of an interpretation/conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

“**Subject**” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“**Vigilance Officer**” means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Designated Director for its disposal and informing the Whistle Blower the result thereof.

“**Whistle Blower**” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

#### 5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

#### 6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in legible handwriting in English, Hindi or Kannada.

The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blower policy”. Alternatively, the same can also be sent through email with the subject “Protected disclosure under the Whistle Blower policy”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Designated Director to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised either to write their name/address on the envelope or enter into any further

correspondence with the Vigilance Officer. Vigilance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

The Protected Disclosure should be forwarded under a covering letter signed by the complainant. Vigilance Officer / Designated Director as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

All Protected Disclosures should be addressed to Vigilance Officer of the Company or to the Designated Director in exceptional cases. The contact details of Vigilance Officer is as under: -

Name: Archana Gorhe

Address: 1198 Shukrawar Peth Lane No.3 Subhashnagar,Pune-411002

Email: archana@pesb.co.in

Protected Disclosure against Vigilance Officer should be addressed to the Designated Director of the Company.

The contact details of the Designated Director are as under:

Name: Daidipya Ghodnadikar

Address: 1198 Shukrawar Peth Lane No.3 Subhashnagar,Pune-411002

Email: daidipya@pesb.co.in

On receipt of the protected disclosure the Vigilance Officer, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out an initial investigation either himself or by involving any other officer of the Company or an outside agency before referring the matter to the Designated Director for further appropriate investigation and needful action. The record will include:

1. Brief facts;
2. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
3. Whether the same Protected Disclosure was raised previously on the same subject;
4. Details of actions taken by Vigilance Officer for processing the complaint;
5. The recommendations of the Vigilance Officer.

#### **7. INVESTIGATION**

All protected disclosures under this policy will be recorded and thoroughly investigated. Designated Director may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.

The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact-finding process.

Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

Subject(s) shall have a duty to co-operate with Vigilance Officer or any of the Officers appointed by it in this regard.

Subject(s) have a right to consult with a person or persons of their choice, other than Vigilance Officer / Investigators and/or the Whistle Blower.

Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrongdoing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

Subject(s) have a right to be informed of the outcome of the investigations. 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 the Company.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Designated Director deems fit.

#### **8. DECISION AND REPORTING**

If an investigation leads Vigilance Officer / Designated Director to conclude that an improper or unethical act has been committed, Vigilance Officer / Designated Director 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.

Vigilance Officer shall submit a report to the Designated Director on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

In case the Subject is the director/CFO of the Company, the Designated Director after examining the Protected Disclosure shall appropriately and expeditiously investigate the Protected Disclosure.

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 Vigilance Officer shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

9. **SECRECY /CONFIDENTIALITY**

The complainant, Vigilance Officer, 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 anytime

Keep the electronic mails/files under password.

10. **PROTECTION**

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.

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

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Designated Director is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

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

Provided however that the complainant before making a complaint has a reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Designated Director shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

11. **ACCESS TO DESIGNATED DIRECTOR**

The Whistle Blower shall have the right to access the Designated Director directly in exceptional cases.

12. **COMMUNICATION**

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in the notice board and the website of the company.

13. **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 2 (two) years or such other period as specified by any other law in force, whichever is more

14. **ADMINISTRATION AND REVIEW OF THE POLICY**

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

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