

## **V.B. DESAI FINANCIAL SERVICES LIMITED**

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

#### **1. Preface**

- 1.1 The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.
- 1.2 This policy is formulated to provide employee an avenue to lodge Complaints, in line with the commitment of Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. To provide necessary safeguards for protection of employees from reprisals or victimization, for whistle-blowing in good faith.
- 1.3 Clause 49 of the Listing Agreement between Company and the Stock Exchanges and Guidelines on Corporate Governance, provides, to establish a mechanism called “Whistle Blower/Vigil Mechanism Policy” for directors and employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct.
- 1.4 The purpose of this policy is to provide a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

#### **2. Definitions**

- 2.1 “VB Desai” means V.B.Desai Financial Services Limited.
- 2.2 “Audit Committee” means the Audit Committee of the Board constituted by the Board of Directors of VB Desai in accordance with provisions of Companies Act, 1956/ 2013 read with Clause 49 of Listing Agreement entered into by the Company with Stock Exchanges.
- 2.3 “Competent Authority” means the Chairman of Audit Committee i.e. Mr. Samir R. Dedhia Director of VB Desai and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (MD being the subject person),
- 2.4 “Dedicated Confidential Section” means any Section/Department of the Company which is decided by the Competent Authority from time to time for maintaining the records as per the Whistle Blower/Vigil Mechanism Policy.
- 2.5 “Disciplinary Action” means any action that can be taken on completion of / during the investigation proceedings by the Competent Authority as he/she deems fit considering the gravity of the matter.
- 2.6. “Employees” mean the entire permanent employees which are working in VB Desai
- 2.7 “Improper Activity” means unethical behavior, actual or suspected fraud, embezzlement etc., violation of the Company’s general guidelines on conduct, moral turpitude, unlawful conduct etc. by an employee of VB Desai.

2.8 “Investigators” means those persons authorized, appointed, consulted or approached by the Competent Authority in connection with conducting investigation into a protected disclosure.

2.9 “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.

2.10 “Subject” means a person against or in relation to whom a protected disclosure is made or evidence gathered during the course of an investigation.

2.12 “Whistle Blower” means an Employee or Director making a Protected Disclosure under this policy.

### **3. Scope**

Whistle Blower/Vigil Mechanism Policy shall be applicable for all permanent employees and to all the Directors of the Company.

### **4. Interpretation**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or SEBI Act and/or any other SEBI Regulation(s) as amended from time to time.

### **5. Guiding Principles**

5.1 Protected disclosures shall be acted upon in a time bound manner.

5.2 Complete confidentiality of the Whistle Blower will be maintained.

5.3 The Whistle Blower and/or person(s) processing the protected Disclosure will not be subjected to victimization.

5.4 Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.

5.5 “Subject” of the Protected Disclosure i.e. Employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.

5.6 The Whistle Blower should bring to attention of the Competent Authority at the earliest any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.

5.7 The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.

### **6. Whistle Blower – Role & Protections**

**Role :**

- 6.1 The whistle Blower's role is that a reporting party with reliable information.
- 6.2 The Whistle Blower is not required or expected to conduct any investigations on his own.
- 6.3 The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he/she shall not have a right to participate.
- 6.4 Protected Disclosure will be appropriately dealt with by the Competent Authority.
- 6.5 The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

**Protections :**

- 6.6 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 Blower.
- 6.7 Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior 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.
- 6.8 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.
- 6.9 The identity of the Whistle Blower shall be kept confidential.
- 6.10 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

**7. Procedures – Essential and Handling Procedure Disclosure**

- 7.1 The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the Whistle blower/complaint i.e. his/her Name, Employee Code and Location and should be inserted in an envelope which should be closed/secured/sealed. The envelope thus secured/sealed should be addressed to the Competent Authority and should be superscribed "Protected Disclosure". (If the envelope is not superscribed and closed/sealed/secured, it will not be possible to provide protection to the whistle blower as specified under this policy).
- 7.2 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee, VB Desai.

7.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.

7.4 Protected Disclosure should either be typed or written in legible hand writing in English, Hindi or Regional language of the place of employment of the Whistle blower, should provide a clear understanding of the improper activity involved or issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.

7.6 The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:

Mr. Samir R. Dedhia, Director  
Competent Authority & Chairman of Audit Committee  
Whistle Blower/Vigil Mechanism  
V.B. Desai Financial Services Limited  
Cama Building, 1<sup>st</sup> Floor,  
24/26, Dalal Street, Fort, Mumbai – 400 001

7.8 The Competent Authority shall mark the envelope containing the Protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof.

7.9 The Competent Authority shall weed out frivolous complaints after a preliminary enquiry by the Confidential Section. The Competent Authority based on the recommendations of the Confidential Section and depending upon the merit of the case shall forward the Complaint to the investigator(s) nominated for this purpose without disclosing the identity of the Whistle Blower.

## **8. Investigations and Role of Investigators**

### **Investigation:**

8.1 Investigation shall be launched if the Competent Authority is satisfied after preliminary review that:

- a) The alleged act constitutes an improper or unethical activity or conduct; and
- b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter deserves investigation.

8.2 The decision taken by the Competent Authority to conduct an investigation is by itself not to be construed as an accusation(ilzam) and is to be treated as a neutral fact finding process.

8.3 The identity of the subject(s) and the Whistle Blower will be kept confidential.

8.4 Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.

- 8.5 Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self incrimination protections available under the applicable laws
- 8.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, threatened or intimidated by the subject(s).
- 8.7 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an 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.
- 8.8 The investigation shall be completed normally within 60 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
- 8.9 Subject(s) have a right to be informed of the outcome of the investigation.

#### **Role of Investigator(s)**

- 8.10 Investigators(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall derive their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his/their report to the Competent Authority.
- 8.11 All Investigators shall perform their role in an independent and unbiased manner, Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviours and observance of professional standards.
- 8.12 All Investigators are authorized to take reasonable steps including reprimand against the Whistle blower in case of repeated frivolous complaints.

#### **9. Action**

- 9.1 The competent authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.
- 9.2 If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the confidential section.

#### **10. Reporting & Review**

The competent Authority shall submit a quarterly report of the protected disclosures, received and of the investigation conducted and of the action taken to the Audit Committee for review.

#### **11. Notification**

All the employees are required to notify & communicate the existence and contents of this policy to them. This policy, including amendments thereof shall be made available in the Director's Report of the Company.

### **12. Annual Affirmation**

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

### **13. Amendment**

This Policy can be modified at any time by the board of directors of the Company.