

## **KEN FINANCIAL SERVICES LIMITED**

### **WHISTLE BLOWER POLICY, 2015**

#### **1. Policy Objective**

- 1.1 The Company is committed to pursue its business objectives in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and for the purpose encourage and protect all of its employees who wish to raise and report their genuine concerns about any unethical behavior, actual or suspected fraud or violation of Company's Code Of Conduct.
- 1.2 Section 149(8)-Schedule (IV) and 177(9) of the Companies Act, 2013 envisages an adequate and functional vigil mechanism to deal with reports of concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use; Section 177(9) of the Act further enjoins every listed company to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed and such vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases: Provided that the details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board's report.

Furthermore under the Listing Agreement with the stock exchanges, the company has agreed to comply with the provisions of Clause 49 which, inter-alia, provides, adoption of a Whistle Blower Policy by (a) establishment of a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy, (b) such mechanism should provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases; and (c) disclosure of the details of establishment of such mechanism on the Company website and also in the Board's report to the shareholders of the Company.

- 1.3 In compliance with the aforementioned statutory requirements, this Whistle Blower Policy sets out a functional vigil mechanism to receive, review, investigate into, initiate corrective action, and report on any genuine concern reported by any employee or a director and also to provide for adequate safeguards against victimization of such persons who avail of this mechanism and to encourage responsible and secure whistle blowing.

- 1.4 This Policy shall in no manner, release an employee from his obligations of confidentiality under the terms of his employment under the Company nor the mechanism provided herein shall be used to seek redressal of his personal grievances.
- 1.5 This Policy shall be called **KEN FINANCIAL SERVICES LIMITED Whistle Blower Policy, 2015** and shall come into effect from the date of its adoption by the Board of Directors of the Company, and will remain in force until further orders.
- 1.6 The Board of Directors may at their sole discretion may modify this Policy at any time due to factors such as Company organizational changes, the changes in applicable laws and regulations etc.,

## **2.0 Definitions**

The following expressions hereinafter wherever used shall have the meanings as prescribed against each.

- (a) **“Audit Committee”** means the Audit Committee of the Company constituted by the Board of Directors under Section 177 of the Companies Act 2013 read with Clause 49 of the Listing Agreement.
- (b) **“Code”** means the Company’s Code of Conduct and Ethics.
- (ba) **“Conduct Rules”** means and includes the Company’s Conduct, Disciplinary and Appeal Rules as may be in force from time to time, read with terms and conditions of employment under the Company.
- (c) **“Company”** means **KEN FINANCIAL SERVICES LIMITED**
- (d) **“Concern”** or **“Complaint”** means any genuine concern over any incidence of actual or suspected unethical behavior in violation of the Code, or fraud or violation of laws as applicable to the Business of the Company and includes
  1. exercise of authority for personal benefit or the benefit of third party;
  2. any activity which might result or might have resulted in adverse impact on environment;
  3. any suspected or actual manipulation of company data/records, or Accounting or financial reporting violation;
  4. pilferation or unauthorized disclosure to third party of Company’s confidential/proprietary information;
  5. wastage/misappropriation of Company funds/assets;
  6. any suspected or actual incident of Bribery and Corruption;
  7. violation of any of the non retaliatory provisions set out hereinafter, or
  8. such other matter as may be included under this Policy from time to time.

- (e) **“Committee”** means a Committee as may be constituted by the Chairman of the Audit Committee in consultation with the Managing Director of the Company, with the responsibility to initiate inquiries and undertake investigation into the Protected Disclosures made by a Whistle Blower to the Nodal Officer in accordance with this Policy. The Committee will generally comprise of three members one of whom will be the Nodal Officer who will act as the Convenor. The Committee may co-opt other members including outside experts as the Investigation may warrant on a case to case basis.
- (f) **“Disciplinary Action”** means any action that can be taken on the completion of / during the investigation proceedings including but not limited to issue of a warning, imposition of fine, suspension or any other penalty as provided under the Conduct Rules.
- (g) **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- (h) **“Nodal Officer”** means the Compliance officer of the Company, who shall be responsible to receive and refer all Protected Disclosures to the Chairman of the Audit Committee, and under his instruction preserve and protect in secrecy and strict confidence, all records and documentation relating to the investigations undertaken, findings of the investigations, corrective action taken and reported and related matters. Nodal Officer shall be the convener of the Whistle Blower Committee.
- (i) **“Protected Disclosure”** means any communication of Concern made in writing and in good faith that discloses or demonstrates information which may be evidence of any act or omission which has taken place or suspected to taken place, involving any of the Reportable Concern.
- (j) **“Whistle Blower”** is a person who avails of this Policy and makes a Protected Disclosure

### 3.0 Reporting Procedure

- 3.1 Any Employee or any person other than the Employee, providing goods and services to the Company as a service provider who wish to avail of this Policy may as soon as possible, but no later than 30 consecutive days after becoming aware of the event, report his Concern either (a) in writing under a closed envelope marked “ WBP-PD” addressed by name to the Nodal Officer whose name, telephone number and email Id given under, or (b) by email under his own authentic email id, giving his own full name and address and contact address,

Name of Nodal Officer	Telephone number	Email id
Mr. Sumit Gupta	022-28881720	kenfsl@rediffmail.com

Indicating the following necessary particulars:

- a. If an Employee, his name and Id no.
- b. If not an Employee, his contact details, address, telephone number and email Id if any,
- c. If he is unwilling to reveal his identity,

it shall be clearly understood by him that the Committee shall be free to deal the matter as follows:

While the Committee is committed to investigate all reports promptly and fairly thoroughly If the Whistle Blower does not reveal his identity or contact details, and where the Committee would not be in a position to investigate into the complaint without further communicating with the Whistle Blower to elicit further information, the Committee may not proceed with the complaint and treat the matter as closed.

3.2 The Report shall, to the extent possible, indicate

- i. The name/ description of the person suspected to be involved;
- ii. Outside party or parties involved if any ;
- iii. Division/department/office/unit where it occurred/continues to occur ;
- iv. Date or period of occurrence;
- v. Nature of Concern - unethical behavior / fraud/ violation of law/ or any other matter falling within the scope of the expression " Concern" as defined under this Policy;
- vi. Documentary evidence or any other record evidencing the incidence of the concern or indicate the names of witnesses or the source or place where documentary evidence can be found ;
- vii. Whom to contact for more information, if possible; and/or
- viii. Prior efforts IF ANY made to report the Concern and if so with what result ;

3.3 Any other communication not in conformity with the provisions of this Rule 3.1 shall neither be received nor acted upon.

3.4 Any complaint repetitive in nature concerning the same subject matter, which has been found baseless and unfounded, shall not be acted upon.

3.5 Any Director who wish to avail of this Policy may report his Concern directly to the Chairman of the Audit Committee.

**4.0 Procedure to receive, review, investigate into, initiate corrective action, and report on a complaint received from a Whistle blower.**

- 4.1 Immediately upon receiving the envelope marked “WBP-PD” addressed to him by name, in conformity with the provisions of this Rule 3.1, the Nodal Officer shall make and maintain a detailed record of all the documentation received in a Register – Register of Protected Documents- which shall be serially page numbered and sequentially numbered against each Complaint received.
- 4.2 The Register of Protected Documents shall be deemed to be a permanent record of the Company and be kept under safe custody of the Compliance Officer of the Company. The Register shall be open to inspection by a third party only upon specific authorization of the Board of Directors or as required under a due process of law.
- 4.3 Unless specifically authorized by the Chairman of the Audit Committee, for the purposes of investigation, the identity of the person making over Protected Document shall not be disclosed to any third party or entity.
- 4.4 To ensure confidentiality of the identity of the Whistle Blower, upon making the entry, a distinctive serial number as recorded in the Register of Protected Document shall be assigned to each set of Protected Disclosure and shall form the primary reference number for all further record and documentation.
- 4.5 The Nodal officer shall make and submit a brief to the Chairman of the Audit Committee, setting out the following details:
  - a) date of the written communication;
  - b) Serial Number assigned to the Protected Document;
  - c) specific mention if the sender chooses not to reveal his/ her identity;
  - d) nature of concern;
  - e) Whether the Concern was raised previously by anyone, and if so, the outcome thereof;
  - f) Whether any Protected Disclosure was raised previously against the person in question;
  - g) The financial/ otherwise loss which has been incurred / would have been incurred;
  - h) Whether any person other than a company employee is alleged to be involved;
- 4.6 Chairman of the Audit Committee may, in consultation with the Managing Director, unless Managing Director himself is also in the picture via. The Whistle Blower, decide if on the basis of the brief and any other facts presented, whether any preliminary enquiry is warranted and if so constitute a committee with the Nodal officer as the Convenor, to undertake a preliminary enquiry and submit its findings to the Chairman of the Audit Committee within a specified time.

- 4.7 If upon initial enquiries, the Committee finds that the Concern raised in Protected Disclosure is frivolous or baseless, or that it is not a matter to be investigated further under this Policy, the Committee may so recommend and so record that it may be dismissed in its recommendations to the Chairman of the Audit Committee.
- 4.8 In case the Committee is of the opinion that further investigation is required, then it shall be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. Arising out of the fact finding, the Committee shall prepare and submit its findings *inter-alia*, setting out
- a) Facts as discovered
  - b) Whether the facts as discovered conclusively affirm the veracity of the complaint and guilt of the person accused of or involved
  - c) Financial/ otherwise loss which has been incurred / would have been incurred;
  - d) Recommendations for taking appropriate action against the person accused of or involved and
  - e) Preventive measures to avoid reoccurrence of the matter, and
  - f) Whether Whistle Blower needs to be informed of the outcome of his complaint or not.
- 4.9 The Committee shall submit its recommendations within 30 days of receiving the Complaint and the Chairman of the Audit Committee shall refer the matter to the Chairman and Managing Director of the Company and jointly advise the concerned disciplinary authority to take such disciplinary/other actions as deemed fit.
- 4.10 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, and expresses his intention to appeal, Committee may afford an opportunity, for the Whistle Blower to make a direct appeal to the Chairman of the Audit Committee, through the Nodal Officer no later than 30 days of the communication received in this behalf.

**5.0 Safeguards against victimization of a Whistle Blower and encouragement for responsible and secure whistle blowing.**

- 5.1 This Policy strictly prohibits any unfair treatment or any retaliatory action in any form from any of other employees against any Whistle blower and expressly protects the identity of the Whistle Blower subject to the provisions hereunder; however where any Employee uses this Policy for making any false allegation or complaints knowing it to be false shall be deemed to have tarnished the reputation of the Company and another company employee and thereby committed a major misconduct and accordingly shall be subject to major penalties under the Conduct Rules.
- 5.2 The Whistle Blower, Nodal Officer, members of the Committee and every employee involved in the Enquiry process shall:
- a. maintain complete confidentiality/ secrecy of the matter;

- b. not discuss the matter in any informal/social gatherings/ meetings;
  - c. limit disclosure of information only on need to know basis to other persons only for the purpose of completing the process and investigations;
  - d. not keep the papers unattended anywhere at any time;
  - e. always keep the electronic mails/files under password;
- 5.3 Any employees found not on compliance with the provisions of Rule 5.2 shall be deemed to have committed an act of willful disobedience and will be liable for disciplinary action under the Conduct Rules.
- 5.4 Any person found committing any Retaliatory Action against a Whistle Blower shall be deemed to have committed an act of willful disobedience and will be liable for disciplinary action under the Conduct Rules. For the purpose of this Rule the expression "Retaliatory Action" shall mean without limitation any of the following:
- 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 Disclosures.
- 5.5 In case of any threat or intimidation or likely threat or intimidation of a Retaliatory Action, the Whistle Blower, may directly approach the Nodal Officer who will refer the matter to the Chairman of the Audit Committee, who in consultation with the Chairman and Managing Director advise the concerned superior authorities to take necessary protective steps.
- 5.6. If the Whistle Blower is called upon to render evidence in judicial or disciplinary proceedings, the Company will arrange for requisite legal support at Company's cost and expense. Any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.
- 5.7 The identity of the Whistle Blower shall be kept confidential.

## **6.0 Documentation of Complaints, Reports and Registers**

- 6.1 The Company shall maintain documentation of all complaints or reports including the Registers pursuant to Rule 4.2 subject to this Policy.
- 6.2 The documentation shall include any written submissions provided by the Whistle Blower, any other Company documents identified in the complaint or by the Company as relevant to the complaint, a summary of the date and manner in which the complaint was received by the Company and any response by the Company to the Whistle Blower.

- 6.3 All such documentation shall be retained by the Company for a minimum of eight (8) years from the date of receipt of the complaint.

**7. Reporting**

The Compliance Officer of the Company shall submit a quarterly report to the Audit Committee and the Board of Directors in such form and substance as may be prescribed by the Audit Committee regarding action taken on Complaints received by the Company under this Policy. The Company shall also present the setting up of the Vigil mechanism under this Policy in the Board's report to the shareholders of the Company.