

WHISTLE BLOWER POLICY / VIGIL MECHANISM
OF
SWARNA SECURITIES LIMITED

1. BACKGROUND:

1.1. In the Companies Act, 2013 under Section 177 (9), every listed company shall establish a vigil mechanism for the Directors and employees to report genuine concerns in such manner as may be prescribed. Such a 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.

1.2. In the amended Clause 49 of the Equity Listing agreement relating to Corporate Governance, the establishment of vigil mechanism is essential.

1.3. Under these circumstances, *Swarna Securities Limited* (“The Company”), being a responsible Corporate propose to establish a Whistle Blower (Vigil) Mechanism and to formulate a whistle blower policy, voluntarily.

2. POLICY OBJECTIVES:

2.1. A Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases.

2.2. 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:

3.1. 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 itsemployees.

4. DEFINITIONS:

4.1. “Alleged wrongful conduct” shall mean violation of 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”.

4.2. “Audit Committee” means a committee constituted by the Board of Directors of the Company.

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

4.4. “Company” means Swarna Securities Limited.

4.5 “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.

4.6. “Employee” means all the present employees and Whole-time Directors of the Company.

4.7. “Nodal Officer” means an officer of the Company nominated by the Board to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the result thereof.

4.8. “Protected Disclosure” means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity with respect to the Company. However, the Protected Disclosures 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.

4.9. “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.

4.10. “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. COVERAGE OF POLICY

The policy encourages all the Whistle Blowers to voice all their genuine concerns which shall include but not limited to the following:

- a. Abuse of authority
- b. Breach of trust
- c. Breach of confidentiality.
- d. Any unlawful act, whether criminal (e.g. theft) or a breach of the civil law (e.g. slander or libel)
- e. Manipulation of Company data/records
- f. Breach of any Policy or Manual or Code adopted by the Company
- g. Financial irregularities, including fraud, or suspected fraud
- h. Deliberate violation of law/regulation
- i. Misappropriation of Company assets/funds;
- j. Any other unethical or improper conduct.

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

6.1. 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 a legible handwriting in English, Hindi or in Telugu.

6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be superscribed as “Protected disclosure under the whistle blower policy”. If the complaint is not superscribed and closed as mentioned above it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the nodal officer will not issue any acknowledgement to the complainant and the complainants are advised neither to write the name / address of the complainant on the envelope nor to enter into any further correspondence with the nodal officer / audit committee. The audit committee assures that in case any further clarification is required he will get in touch with the complainant.

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

6.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Nodal Officer / Managing Director / Chairman of Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.

6.5. All Protected Disclosures should be addressed to the Nodal Officer, Mr. M Anil Kumar, the Company Secretary & Compliance Officer of the Company.

6.6. Protected Disclosure against the Nodal Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit Committee.

6.7. On receipt of the protected disclosure the Nodal Officer / Managing Director /Chairman of the Audit Committee 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 before referring the matter to the Audit Committee for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Nodal Officer/ Managing Director for processing the complaint;
- e) Findings of the Audit Committee;
- f) The recommendations of the Audit Committee / other action(s).

6.8 The Audit Committee if deems fit may call for further information or particulars from the complainant.

7. INVESTIGATION:

7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company.

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

7.3. 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.

7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.

7.5. 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).

7.6. 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 wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

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

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

8. DECISION AND REPORTING:

8.1. Audit Committee along with its recommendations will report its findings to the Managing Director of the Company through the Nodal Officer within 15 days of receipt of report for further action as deemed fit. In case prima facie case exists against the subject, then the Managing Director of the Company shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.

8.2. In case the subject is a Nodal Officer of the Company, the protected disclosure shall be addressed to the Managing Director of the Company who, after examining the protected disclosure shall forward the matter to the audit committee. The audit committee after providing an opportunity to the subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the Managing Director of the Company. After considering the report and recommendation as aforesaid, Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.

8.3. In case the Subject is the Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the Protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately

and expeditiously investigate the Protected Disclosure.

8.4. 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.

8.5. A complainant who makes false allegations of unethical & improper practices or about wrongful conduct of the subject to the Nodal Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

9. SECRECY / CONFIDENTIALITY:

9.1. The complainant, Nodal Officer, Members of Audit committee, the Subject and everybody involved in the process shall:

9.1.1. Maintain confidentiality of all matters under this Policy

9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

9.1.3. Not keep the papers unattended anywhere at any time

9.1.4. Keep the electronic mails / files under password.

10 PROTECTION

10.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.

10.2 The identity of the Whistle Blower shall be kept confidential.

10.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE:

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

12. COMMUNICATION:

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

13. RETENTION OF DOCUMENTS:

13.1. All Protected disclosures documented along with the results of investigation relating thereto, shall be retained by the Nodal Officer for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

14. ADMINISTRATION AND REVIEW OF THE POLICY:

14.1. The Managing Director of the Company shall be responsible for the administration, interpretation, application and review of this policy. The Managing Director of the Company also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

15. MODIFICATION

15.1 The Company may modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company.

16. CONCLUSION

For any queries/concerns regarding the Company's Whistleblower Policy, contact:

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