

ARKA FINCAP LIMITED

ONE WORLD CENTRE, 1202B, TOWER 2B, FLOOR 12B | JUPITER MILLS COMPOUND, SENAPATI
BAPAT MARG, | MUMBAI 400013

2023

Vigil Mechanism/ Whistle Blower Policy

POLICY DOCUMENT – 021

Policy on 021- Vigil Mechanism/ Whistle Blower Policy

| Action | Entity | Signature |
|---------------------|---|------------------|
| Created by | Secretarial Team | |
| Reviewed by | Risk Management Committee/Audit Committee | |
| Approved by | Board of Directors | |
| Release Date | | |
| Version | 4.0 | |

Version History

| Version No. | Particulars | Details |
|--------------------|---|--|
| 1 | Original Policy approved by Board | |
| 2 | Amendments made to bring in line with Companies Act | Added following:- <ul style="list-style-type: none"> ● Aligned the policy in line with the requirement of the Companies Act, 2013 ● Coverage enhanced to cover Directors of Arka ● Proposed that Mr Mahesh Chhabria is the Chairman of the Audit Committee and the Ombudsperson ● Proposed that Mr Vimal Bhandari is the Director nominated by the Audit Committee ● Protected disclosures and the result of the investigation will be retained for 8 years |
| 3. | Amendments to align it SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | |
| 4. | Annual Review | Made changes to incorporate the provisions of Kirloskar Group Level policy on Whistle Blower |

INTRODUCTION:

Arka Fincap Limited (“AFL”) (Company) has adopted the Whistle Blower Policy / Vigil Mechanism (“the Policy”) with the objectives of enhancing the standards of ethical conduct for the highest degree of transparency, integrity, accountability, corporate social responsibility and to ensure that a robust vigil mechanism is in place and is operative. Any actual or potential violation of the Policy would be a matter of serious concern for the Company. The employees can play an important role in pointing out such violations of the Policy.

In terms of Section 177(9) of the Companies Act, 2013 (“the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI PIT Regulations”), the Company is required to establish Vigil Mechanism for its stakeholders, employees and Directors to report their genuine concerns regarding the Company including to report instances of leak of unpublished price sensitive information, to provide for adequate safeguards against victimisation of employees, directors or any other person who avail of the vigil mechanism and to provide for direct access to the Chairperson of the Audit Committee.

Accordingly, this Vigil Mechanism/Whistle Blower Policy (“the Policy”) has been formulated and adopted by the Company to enable its stakeholders, including individual employees and/or directors, to report genuine concerns including but not limited to unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct for Board of Directors and Senior Management (the ‘Code’) or leakage of Unpublished Price Sensitive Information (UPSI) or any other instance to the Chairperson of the Audit Committee (the Committee) of the Board of Directors of the Company may deem fit.

Accordingly, this Policy has been formulated with a view:

- To provide a vigil mechanism for directors and employees of the Company and other persons dealing with the Company as defined hereinafter. The areas of concern covered by this Policy are summarized in this policy.
- To safeguard the interest of such directors / employees / persons against victimisation, who notice and report any unethical or improper practices.
- To appropriately communicate the existence of such mechanism, through website, etc.
- To encourage an employee of the Company to raise genuine concerns or make disclosures when he / she becomes aware of any actual or potential violation of the aforesaid Codes or instances.
- To also encourage reporting of any event (actual or potential) of misconduct that is not reflective of the values and principles of the Company. Avenues available for raising genuine concerns or queries or reporting cases to:
 - ⊖ Ethics Ombudsman;
 - designated Ethics Committee of the Company
 - the ‘confidential reporting third-party ethics helpline (if available)

DEFINITIONS:

The definitions of some of the key terms used in this Policy are given below:

Audit Committee: means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and SEBI LODR, including its amendments thereof.

Company means Arka Fincap Limited

Director: means a director appointed on the Board of the Company

Disciplinary Action: means any action that can be taken on the completion of or during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from the official duties or any such action as is deemed to be fit considering the gravity of the matter.

Employee: means all the present employees (whether working in India or abroad) including a Director in the employment of the Company

Ethics Committee: a Committee as nominated by the Executive Vice-Chairman and CEO of the Company.

Investigator(s) mean any person authorised, appointed, consulted or approached by the Ethics Ombudsman / Ethics Committee / the Committee to carry out investigation in the Protected Disclosure.

“Persons dealing with the Company” means vendors, customers, contractual service providers, contractors, stakeholders, agency staff dealing with the Company.

Protected Disclosure: means any concern raised in good faith that discloses or demonstrates information that may evidence unethical or improper activity or suspected fraud or aforesaid instances or violation of the aforesaid Codes.

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

“UPSI” shall mean such information which is considered / deemed to be an unpublished price sensitive information in accordance with the SEBI PIT Regulations or the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives of Designated Persons of the Company or the ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company’, as amended from time to time.

Whistle Blower: means a director, employee, and any other Person dealing with the Company making a Protected Disclosure under this Policy, keeping the organisation’s interest in mind.

SCOPE

This policy is applicable to all the directors and employees of the Company and Persons dealing with the Company. All directors, employees and Persons dealing with the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

GUIDING PRINCIPLES:

Whistleblower shall have access to the Ethics Ombudsman / Ethics Counsellor whose details are provided in the Appendix A of this Policy. To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- a. Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- b. Ensure complete confidentiality;
- c. Not attempt to conceal evidence of the Protected Disclosure;
- d. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- e. Provide an opportunity of being heard to the persons involved especially to the Subject
- f. Provide for adequate safeguards against victimization to whistleblower.

INDICATIONS TO RAISE ALARM:

A matter can be considered serious enough for an alarm to be raised if it satisfies any of the following conditions:

- a. Serious violation of any organizational level policy, indicating weakness in internal control process.
- b. Matter is likely to receive media or public attention.
- c. Abuse of authority at any defined level in the Company.
- d. Exposes the Company to a significant monetary or non-monetary liability.
- e. Acts involving acceptance of bribes or any other form of corruption.
- f. Disclosure of confidential or proprietary information to any outsiders.
- g. leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information by any person, who is in possession of UPSI, to any other person in any manner whatsoever, except as otherwise permitted under the SEBI PIT Regulations or the 'Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives of Designated Persons' or the 'Code of Practices and Procedures for Fair Disclosures of UPSI' of the Company (hereinafter being referred to as the "Leakage of UPSI").
- h. Financial irregularities, including fraud or suspected fraud.
- i. Indicates an incident / possible incident of sexual harassment at the workplace.
- j. Any other unethical, biased, favoured, imprudent event.

EXCEPTIONS

Any matter which is an individual employee personal or career related grievances, grievances relating to the terms & conditions of employment, dissatisfaction with appraisals and awards

Any matter arising out of business or financial decisions taken by the Company.

DISQUALIFICATIONS

- a) Bringing to light personal matters regarding another person, which are in no way connected to the Company.
- b) While it would be ensured that genuine Whistleblowers are protected from any kind of unfair treatment as herein set out, any abuse of such protection would warrant disciplinary action.
- c) Protection under this Policy would not mean protection from disciplinary action against false or bogus allegations made by a Whistleblower, knowing it to be false or bogus, or any Protected disclosures made with a mala fide intention.

Whistleblower, who makes Protected Disclosures subsequently found to be *mala fide*, frivolous, vexatious, malicious, or reported otherwise than in good faith, will be disqualified from making further Protected Disclosures under this Policy.

REPORTING MECHANISM

1. The Company established mechanism to process and investigate Protected Disclosures. This mechanism operates under the supervision of the Committee. Protected Disclosures are to be made to the Ethics Ombudsman as per the contact details provided in the Appendix A of this Policy.
2. In exceptional cases, Employees have a right to make Protected Disclosures directly to the Chairman of the Committee as per the contact details provided in the Appendix A of this Policy.
3. To enable the proper investigation of any Protected Disclosure, a Protected Disclosure should include as much information as possible concerning the Protected Disclosure. To the extent possible, the following information should be provided:
 - i. the nature of the Protected Disclosure (for example, if the Protected Disclosure concerns an alleged violation of the aforesaid Code(s), please refer to the name of the Code and relevant provisions of the said Code that is alleged to have been violated);
 - ii. the names of the Employee(s) to which the Protected Disclosure relates;
 - iii. the relevant factual background concerning the Protected Disclosure (for example, if the Protected Disclosure concerns a violation of the Code of Conduct, please include information about the circumstances and timing of the violation); and
 - iv. description of documents, if any.
4. To enable further investigation of Protected Disclosure, Whistle-blowers are strongly encouraged to provide their name and contact details whenever they make a Protected Disclosure under this Policy.
5. All Protected Disclosures are taken seriously and will be promptly scrutinized and investigated in accordance with the mechanism set up by the Company on Responding to Protected Disclosures. All Protected Disclosures reported under this Policy, if required, will be thoroughly investigated by the Investigator(s).

PROTECTION

- a) No unfair treatment shall be given to a Whistleblower by virtue of his / her having made a Protected Disclosure under this Policy.

The Company shall ensure that any kind of discrimination, harassment, victimization or any other unfair employment practice is not adopted against Whistleblower. Complete protection will, therefore, be given to Whistleblower 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 behaviour or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his duties / functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure.

- b) The identity of the Subject and the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Ethics Counsellor or Ethics Ombudsman or Ethics Committee or Investigator(s) or the Committee (e.g. during investigations carried out by Investigators).
- c) Any other employee / person assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

REPORTING:

A report shall be placed before the Audit Committee on a periodical basis about all Protected Disclosures referred to the Committee since the last report together with the results of investigations, if any, actions recommended and implemented.

RETENTION OF DOCUMENTS

All Protected Disclosures along with the evidences gathered during investigation and results and other investigation documents relating thereto, shall be retained by the Company for a minimum period as per the Preservation Policy of the Company.

COMMUNICATION OF POLICY

The Policy shall be communicated by displaying on the website of the company.

AMENDMENTS

This Policy may be amended or modified from time to time in case of any subsequent changes to the provisions of applicable Regulations or which deems necessary to strengthen Whistleblower Policy / Vigil Mechanism.

Whistleblower/Vigil Mechanism

A. Contact Details

| Sr. No. | Name of Person | Designation | Email Address |
|---------|---|----------------------------|--|
| 1 | Mr. Yogesh Kapur | Chairman – Audit Committee | ACChairman@arkafincap.com |
| 2 | Mr. Mridul Sharma Mr. Sonit Singh Mr. Sachin Agarwal Ms. Rashmi Warange Ms. Priyal Shah | Ethics Committee | Mridul.sharma@arkafincap.com Sonit.singh@arkafincap.com Sachin.agarwal@arkafincap.com Rashmi.warange@arkafincap.com Priyal.shah@arkafincap.com |
| 3 | Mr. Mridul Sharma | Ethics Ombudsman | Mridul.sharma@arkafincap.com |

B. Details of Ethics Helpline:

Ethics Helpline India**Call (Toll Free):** 1800-102-6969**Time:** 9.00 am to 10.00 pm IST (For English & Hindi – Weekdays) and 10.00 am to 7.00 pm IST (For Marathi, Gujarati, Telugu, Kannada and Tamil – Weekdays)**Off-Office Hours:** Voicemail facility available**Web:** <https://kirloskar.integritymatters.in>**Email:** kirloskar@integritymatters.com**Post:** Kirloskar Group, C/O Integrity Matters, Unit 1211, CENTRUM, Plot No C-3, S.G. Barve Road, Wagle Estate, Thane West – 400604, Maharashtra, India.*Ethics Helpline is operated by an Independent third party specialist service provider “Integrity Matters”.*