



A. K. CAPITAL FINANCE LIMITED

WHISTLE BLOWER POLICY AND ESTABLISHMENT OF VIGIL MECHANISM

1. PREFACE

Section 177 of the Companies Act, 2013, and the Rules thereunder, prescribed that (a) every listed Company, (b) every other Company which accepts deposits from the public and (c) every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores shall establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

Under these circumstances A. K. Capital Finance Limited (“The Company”) being having borrowings from banks in excess of Rs. 50 Crores proposes to establish a Whistle Blower Policy/Vigil Mechanism and to formulate a policy for the same.

2. DEFINITION

- a. **‘Audit Committee’** means the Audit Committee of the Company as constituted by the Board of Directors of the Company as per the guidelines of Reserve Bank of India and the Companies Act, 2013.
- b. **‘Complainant/Whistle Blower’** means a person who exposes misconduct, alleged dishonest or illegal activity occurring in the Company including employees, Directors of the Company, stakeholders of the Company including Vendors.
- c. **‘Employee’** means employees of the Company including outsourced, temporary and on contract personnel, probationer, trainee, apprentice or called by any other such name, ex-employees, the Directors in the employment of the Company.
- d. **‘Investigator/Investigators’** mean those persons authorised, appointed, consulted or approached by the Whistle Blower Committee and includes the person authorised by the Company and the police.
- e. **‘Protected Disclosure’** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- f. **‘Subject’** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

3. INTRODUCTION AND OBJECTIVE OF THE POLICY

The Company is a Subsidiary of A. K. Capital Services Limited, one of the leading SEBI registered Category -1 Merchant Banker in India. AKCF is registered with Reserve Bank of India as Systematically Important -Non Deposit taking -Non Banking Finance Company (NBFC). The Company is also member of the CBLO Segment of 'The Clearing Corporation of India Limited' (CCIL).

The Company believes that good communication between Employees and Management at all levels throughout the organisation promotes better work practice. The Company has adopted work culture which ensures highest standards of professionalism, honesty, integrity, moral and ethical behavior. However, we acknowledge that all organisations face the risk of their activities going wrong from time to time, or of unknowingly harbouring malpractice. On this basis, employees are encouraged to raise genuine concerns about malpractice in the workplace without fear of reprisals and the Company will protect them from victimization and dismissal.

The Company has adopted a Code of Conduct for Directors and Senior Management Executives (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

4. SCOPE AND APPLICABILITY 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 the Company’s funds/assets or resources, pilferation of confidentiality, Deliberate violation of law/regulation, breach of employees Code of Conduct or rules 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.

The policy shall come into force from immediate effect and shall be applicable to all the employees of the Company.

5. ELIGIBILITY

All the employees and Directors of the Company are eligible to make Protected Disclosures under the policy in relation to the matters concerning the Company.

6. PROCEDURE TO DISCLOSE

- a) All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- b) If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Complainant confidential.

The Protected Disclosures should preferably be reported in closed and secured envelope and should be super scribed as “**Strictly private and confidential – to be opened by the addressee only**” at the following address:

Chairman of the Audit Committee

A.K. Capital Finance Limited
601-602, 6th Floor, Windsor, Off CST Road,
Kalina, Santacruz (E), Mumbai – 400 098

- c) Protected Disclosures should preferably be reported in writing 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 the regional language of the place of employment of the Complainant. In case of urgent matters, the whistle Blower/complainant may communicate verbally (through Phone or in person) but he/she must put the case in writing at the first available opportunity.

- d) The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower/Complainant. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- e) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- f) For the purpose of providing protection to the Complainant, the Complainant should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- g) Anonymous reporting shall not be entertained as it is usually impractical to investigate a complaint which has been made anonymously. However the Whistle Blower / complainant may seek the advice of the Committee and based on the advice sought, formally record the complaint.
- h) Upon receipt of the complaint the member/s shall ascertain the authenticity, correctness and credibility of complaint and source, shall recommend necessary corrective measures.
- i) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their input during the investigation.
- j) Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- k) Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coerced, threatened or intimidated by the Subjects.
- l) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- m) Subjects have a right to be informed of the outcome of the investigation. 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.
- n) The Audit based on the decisions/recommendations, shall take appropriate action immediately within a stipulated timeframe.

7. PROTECTION AGAINST VICTIMISATION

- a) No unfair treatment will be meted out to a Complainant 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 Complainant. Complete protection will, therefore, be given to Complainant 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 Complainant's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Complainant may experience as a result of making the Protected Disclosure. Thus, if the Complainant is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Complainant to receive advice about the procedure, etc.
- b) A Complainant/Whistle Blower may report any violation of the above clause to the Audit Committee, who shall investigate into the same and recommend suitable action to the management

- c) The identity of the Complainant shall be kept confidential to the extent possible and permitted under law.
- d) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Complainant.

8. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

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.

9. COMMUNICATION

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

10. 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 minimum period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

11. ADMINISTRATION AND REVIEW OF THE POLICY

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

12. CONFIDENTIALITY:

The Company shall keep the identity of the Complainant confidential throughout the proceedings and in order to protect victimization of the Complainant. Further, it shall be the duty of the Company to keep all the documents, minutes, records etc. of the case confidential, provided that nothing shall apply in case the appropriate Government Authority or the Court of Justice asks for such documents, minutes, records etc.

13. DISQUALIFICATIONS:

- a) While it will be ensured that genuine Whistle Blowers are given complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will attract disciplinary action.
- b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c) Whistle Blower, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of

such whistle blowers, the Company / Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

14. POWER TO AMEND THE POLICY:

The Company reserves the right to amend the Policy. However, the amendments so made shall not be contrary to any act, rules, regulation, circular or notification issued by the Government in this behalf. The amendments shall also be published on the official website of the Company.



Version	Policy	Adopted by Board
1	Whistle Blower Policy and Establishment of Vigil Mechanism	May 19, 2014