

VIGIL MECHANISM /WHISTLE
BLOWER POLICY

SBICAP SECURITIES LIMITED

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VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. Preface:

SBICAP Securities Limited (“SSL”/ “the Company”) believes in conducting its affairs in a fair and transparent manner and is always guided by the highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has laid down a Code of Conduct, which is a comprehensive policy document laying down the principles that govern the actions of the employees of our Company.

2. Objective :

The Code aims at safeguarding the values and principles that the Company’s uphold. Any actual or potential violation of the Code, howsoever insignificant, is a matter of serious concern for the Company and the Company believes in taking preventive or corrective action in time. The role of the employees in pointing out violations of the Code cannot be undermined. One of the methods of creating a safe and sound reporting environment for reporting concerns about unethical behaviour, actual or suspected fraud, or violation of the Company’s Code of Conduct is through the Vigil Mechanism /Whistle Blower policy. Accordingly, the Vigil Mechanism /Whistle Blower Policy (“the Policy) for the Company is being laid down in order to provide a formal mechanism to all the employees of the Company to approach the senior management of the Company or the Audit Committee (where the Senior Management is involved) with regard to the matters specified hereinafter.

3. Definitions :

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

3.1 “**Audit Committee**” means the Audit Committee of the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

3.2 “**Employee**” means every employee of the Company and shall also include :

- a) Employees those on deputation to the company and employees of contractors providing services to the Company
- b) Employees whether working in India or abroad
- c) Directors of the Company and includes an ex-employee of the Company

3.3 “**Code**” means the Company's Code of Conduct.

3.4 **“Good Faith:** An employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

3.5. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Senior Management/Audit Committee. The term "investigators" includes auditors of the Company.

3.6. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates an intention to disclose information that may evidence unethical or improper activity.

3.7. **“Unethical or improper activity”** shall mean:

- i) an act which does not conform to approved standards of social and professional behaviour,
- ii) an act which leads to unethical business practices,
- iii) improper conduct,
- iv) breach of etiquette or morally offensive behaviour, etc.

3.8 **“Senior Management”** means personnel of the company who are members of its management, i.e. core management team, excluding independent directors.

3.9 **“Subject”** means a person who is the focus of investigative fact-finding exercise activated either by virtue of a Protected Disclosure made or evidence gathered during the course of an investigation.

3.10 **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.

4. Scope :

4.1. The policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company.

4.2 The Whistle Blower’s role is that of a reporting party. The Whistle Blowers are not investigators or finders of facts, nor do they determine appropriate corrective or

remedial action to be taken. Whistle Blowers provide initial information arising out of a reasonable belief that an improper or unethical practice has occurred.

4.3 Whistle Blowers are not to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the management or the Audit Committee or the Investigators.

4.4 Protected Disclosures will be appropriately dealt with by the senior management and / or the Audit Committee.

4.5 Indicative List of malpractices and events which may take place/ suspected to have taken place involving is limited to following:

- Abuse of authority
- Breach of contract
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of company data/records
- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- Any unlawful act whether Criminal/ Civil
- Proliferation of confidential/propriety information
- Deliberate violation of law/regulation
- Wastage/misappropriation of company funds/assets
- Breach of Company Policy or failure to implement or comply with any approved Company Policy

Policy should not be used to route for raising malicious or unfounded allegations against colleagues.

5. Eligibility:

All Employees of the Company are eligible to make use of the Policy for making Protected Disclosures and would accordingly have a right to protection as defined in the Policy.

6. Disqualifications :

6.1 While it will be ensured that genuine Whistleblowers are accorded complete immunity from any kind of unfair treatment as herein set out, any abuse of this protection is strictly prohibited.

6.2. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a mala fide intention.

6.3. Whistleblowers, 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 Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

7. Procedure:

7.1 Protected Disclosures should be addressed to the Managing Director of the Company.

7.2 Notwithstanding anything contained in clause 7.1 above, Protected Disclosures alleging the involvement of Senior Management in an improper or unethical practice may be addressed to the Chairman or any member (s) of the Audit Committee of the Company. The contact details of the Audit Committee members are enclosed as Annexure I.

7.3 Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should be typed or written in a legible hand in or English or Hindi or in the regional language of the place of employment of the Whistleblower.

7.4. Protected Disclosures should be factual rather than speculative or conclusory, and should contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedure required to be adopted.

7.5. The Whistle Blower must disclose his / her identity while reporting the Protected Disclosure. Anonymous Protected Disclosures will not be entertained either by the senior management or by the Audit Committee as it would not be possible for them to interview the anonymous Whistle Blowers.

7.6 Appropriate care must be taken to keep the identity of the Whistleblower confidential. The Whistle Blower should ensure the confidentiality while making the Protected Disclosure to the appropriate authority, and should not discuss about the same with anyone.

8. Investigation :

8.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the management / Audit Committee in accordance with the normal procedure. The management / Audit Committee may, at its discretion, consider seeking help from any Investigators for the purpose of investigation.

8.2 The decision to conduct an investigation is not an accusation and is to be treated only as a neutral fact-finding process. The outcome of the investigation may or may not support a conclusion that an improper or unethical act has been committed.

8.3 The identity of a Subject will be maintained in confidence to the extent possible, given the legitimate needs of law and the investigation.

8.4. Subjects will normally be informed of the allegations at the outset of a formal investigation and will be given an opportunity to present their views during the investigation.

8.5 Subjects have a duty to co-operate with the management / Audit Committee or any of the Investigators during investigation to the extent that their co-operation will not compromise self-incrimination protections available under the applicable laws.

8.6. Subjects have a right to consult a person or persons of their choice, save and except the Investigators and / or members of the Audit Committee and / or the Whistle Blower.

8.7. Subjects have a responsibility not to interfere with the investigation and to adhere to cautionary advice, if any, from the Investigators in this regard. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated.

8.8 Unless there are compelling reasons to act to the contrary, Subjects will be given an opportunity to respond to material points of evidence contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered sustained unless, at a minimum, a preponderance of the evidence supports the allegation.

8.9. 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 Company and the Subject.

8.10 The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosures.

9. 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.

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. The Company strongly disapproves of any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will be given to Whistle Blowers against any unfair practice.

The Company will take steps to minimize any difficulties the Whistle Blower may experience because of the Protected Disclosure he /she has made. Thus, 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.

10.2 Whistleblower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

10.3 The identity of the Whistle Blower shall be kept confidential within the legitimate needs of law and the investigation. Whistle Blower should be cautioned that their identity may become known for reasons outside the control of the management / Audit Committee (e.g. during investigations carried out by any Investigators).

10.4. The Whistle Blower shall be protected from any retaliation, threat or intimidation of termination, suspension, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties/functions including making further Protected Disclosure

10.5 Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

11. Investigators:

11.1 Investigators are required to conduct fact-finding and analysis related to cases of alleged improper or unethical activities. Investigators derive their authority and access rights from the Company / Audit Committee when acting within the course and scope of the investigation entrusted to them, and Subjects should be assured that the Investigators have competency in the area under investigation.

11.2 Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and in appearance. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.

11.3 Investigations will be launched only after preliminary consideration that establishes that:

- i. the allegation, if true, constitutes an improper or unethical activity, and
- ii. either the allegation is accompanied by information specific enough to be investigated, or matters that do not meet this standard may yet be worthy of management review, but should not be undertaken as an investigation of an improper or unethical activity.

12. Decision :

If an investigation leads the senior management / Audit Committee to conclude that an improper or unethical act has probably been committed, the management / Audit Committee shall take such disciplinary or corrective action as it deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

13. Reporting :

The report regarding total number of disclosures received in previous year, if any along with nature of complaint, outcome of investigation, actions recommended by the Audit Committee and implementation of the same shall be placed before the Audit Committee. The report on above shall be reviewed and recorded by the Audit Committee.

14. Amendment:

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such

amendment or modification will be binding on the Employees unless it is circulated to the Employees in writing. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

The Annexure I of the Policy will be updated from time to time for any changes in the members of Audit Committee.

Annexure I

Sr. No	Name & Designation	Address
1.	Shri Vasudeo R. Galkar Chairman	5/T-1, Models Exotica, St. Inez, Panaji, Goa-403001
2.	Dr. T.T. Ram Mohan, Independent Director	12E, Second floor, Main Building, IIM Campus, Vastrapur, Ahmedabad-380015
3.	Smt. Varsha Purandare, Director	SBI Capital Markets Ltd. 202 Maker Tower E Cuffe Parade, Mumbai 400005