

KREON FINNANCIAL SERVICES LIMITED

VIGIL MECHANISM /WHISTLE BLOWER POLICY

1. INTRODUCTION:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides for a mandatory requirement for all listed companies to establish a mechanism called 'Whistleblower Policy' for Stakeholders to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

In addition to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies as prescribed in the Companies (Meetings of Board and its Powers) Rules, 2014 to establish a vigil mechanism through the "Whistle Blower Policy" for directors and employees to report concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

M/s. Kreon Financial Services Ltd Group believes in the conduct of affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and is committed to developing a culture where it is safe for all employees to raise concerns about any unacceptable practice or any event of misconduct. Accordingly, this Whistleblower Policy ("**the Policy**") has been formulated with a view to provide a mechanism for all persons to approach various Committees of the Company.

2. OBJECTIVES:

This policy has been framed with the following objectives:

- i. To enable directors and employees to voice concerns in a responsible and effective manner.
- ii. To provide a platform for directors and employees to disclose information internally, without fear of reprisal or victimization.
- iii. To enable disclosure of information, independently of line management
- iv. To ensure that no director or employee of the Organization feels he/she is at a disadvantage while raising legitimate concerns.

3. SCOPE OF THE POLICY:

- i. The Whistleblower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company.
- ii. The Policy covers any ' Alleged Wrongful Conduct' and other malpractices which have taken place involving, but not limited to:
 - Any unlawful act, whether criminal or not.
 - Breach of any Policy or Manual or Code of conduct adopted by the Company.
 - Abuse (e.g. through physical, psychological or financial abuse, exploitation or neglect).
 - Fraud and corruption (e.g. to solicit or receive any gift/reward as a bribe).
 - Any instance of failure to comply with legal or statutory obligation either on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
 - Any kind of financial malpractice.
 - Abuse of power (e.g. bullying/harassment).
 - Negligence causing substantial and specific danger to public health and safety.
 - Wastage/misappropriation of company funds/assets.
 - Leak of Unpublished Price Sensitive Information in any manner.
 - Any other unethical or improper conduct.
- iii. Any untrue allegations will not be taken up and investigated and appropriate action will be taken for the same.
- iv. This policy is intended to assist individuals who believe they have discovered any malpractice or impropriety. It is not designed to question financial or business decisions taken by the firm nor should it be used to reconsider any matters which have been investigated under the harassment, grievance or disciplinary policies and procedures.
- v. The Whistleblower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- vi. Whistleblowers should not 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 Committee Heads.

4. DEFINITIONS & GLOSSARY:

- i. **"Alleged wrongful conduct"** shall mean violation of law, non-compliance or default in complying with the Company rules, unethical behavior or violation of the Company's Code of Conduct, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

- ii. **“Audit Committee”** means the Committee constituted by the Board of Directors of the Company in accordance with relevant clauses of the Listing Agreement and section 177 of the Companies Act, 2013.
- iii. **“Board”** means the Board of Directors of the Company.
- iv. **“Company”** means M/s. Kreon Financial Services Ltd and all its Offices.
- v. **“Director or employee”** means every employee of the Company (inclusive of all Operating Units).
- vi. **“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.
- vii. **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical behavior or improper activity, actual or suspected fraud or violation of the Company’s Code of Conduct. It should be factual and not speculative or in the nature of an interpretation/conclusion and should contain as much specific information supported by reasonable evidence as possible to allow for proper assessment of the nature and extent of the concern.
- viii. **“Subject”** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- ix. **“Whistle Blower”** is a director or an employee or group of employees who make a Protected Disclosure under this Policy and also referred to in this policy as a complainant.

5. ELIGIBILITY:

- i. All directors and employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.
- ii. A person who has resigned from the services of the company and is serving the notice period, is not eligible to make protected disclosures under the policy in relation to the matters concerning the Company.

6. PROCESS FOR RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

A. How to disclose protected disclosure?

A person intending to make any Protected Disclosure is required to disclose all relevant information at the earliest from the day on which he/she knew of the Protected Disclosure. All Protected Disclosures should be reported in writing (typed or written in a legible handwriting in English or in the relevant regional language) by the complainant to the Audit Committee as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised.

The Protected Disclosure should be submitted in a closed and secured envelope, addressing the Audit Committee, as mentioned below:

Chairman of the Audit Committee
M/s. Kreon Financial Services Ltd
Old No.12, New No. 29, Mookathal Street,
Purasawalkkam, Chennai – 600 007.
Email.Id: info@kreon.in

The envelop should be super-scribed as **“Protected disclosure under the vigil mechanism / whistle blower policy”**. Alternatively, the same can also be sent through email, to the mail id info@kreon.in with the subject **“Protected disclosure under the vigil mechanism / whistle blower policy”**. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Audit Committee shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure. If the complaint is not super scribed and closed as mentioned above, it will not be possible to protect the complainant and the protected disclosure will be dealt with as if it is a normal disclosure.

The contact details of the Chairman of the Audit Committee are as under;

Name – Mr. E Subbarayan, Chairman of the Audit Committee;

Email id: info@kreon.in

The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Audit Committee as it would not be possible to interview the Whistleblowers.

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 and the urgency of a preliminary investigative procedure.

B. Investigation proceedings?

All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company, who will investigate/oversee the investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand.

On receipt of the protected disclosure 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. The Audit Committee shall also carry out an initial enquiry by itself or by involving any other Officer of the Company or by hiring the services of an outside agency for further appropriate investigation and needful action.

The record of the Audit Committee 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 the Audit Committee for processing the complaint.
- e) Findings of the GCC and the outside agency, if any

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

The Whistle Blower shall be provided ongoing support and protection from any adverse treatment as a result of his/her actions. Any victimization or detrimental action taken against the Whistle Blower as a result of his/her allegation would be treated as a serious matter by the Company and appropriate action ensured.

The investigation shall be completed normally within 45 days of the receipt of the protected Disclosure by the Audit Committee.

7. DECISION AND REPORTING

- i. The Audit Committee, after conducting investigation, as it may deem fit, come to a final decision in the matter not later than 45 days from the date of receipt of the written report.
- ii. If the complaint is shown to be justified, then the Audit Committee shall invoke disciplinary or other appropriate actions against the concerned as per the Organization's procedures. The following actions may be taken after investigation of the concern;
 - Disciplinary action (up to and including dismissal) against the Subject depending on the results of the investigation; or;
 - Disciplinary action (up to and including dismissal) against the whistleblower if the claim is found to be malicious or otherwise in bad faith; or
 - No action if the allegation proves to be unfounded.
- iii. If either the Whistleblower or the Subject is not satisfied with the decision of the Audit Committee, then either of the Parties could prefer an appeal against this decision before the Company's Board and the decision of the Board in the matter will be final and binding on all the parties in relation to the terms of employment. Appropriate appeal procedure may be formulated by the Board, ensuring principles of natural justice and the Subject shall have right of remedies under the law.

8. GUIDING PRINCIPLES:

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- i. Maintain confidentiality of all matters under this Policy;
- ii. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure are not victimized for doing so.
- iii. Treat victimization as a serious matter including initiating disciplinary action on the concerned person(s).
- iv. Initiate disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made.
- v. Provide an opportunity of being heard to the persons involved, especially the Subject.

9. DISCIPLINARY ACTION:

- i. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- ii. '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 intention.
- iii. Whistle Blowers, who make two or more Protected Disclosures, which have been subsequently found to be 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 Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

10. 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 Directors and Employees unless the same is notified to them in writing.