

KOGTA FINANCIAL (INDIA) LIMITED

WHISTLE BLOWER AND VIGIL MECHANISM POLICY

Version History		
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1. Introduction

Kogta Financial (India) Limited ('the Company' or "Kogta") is a Non-Banking Financial Company ('NBFC') having valid Certificate of Registration with Reserve Bank of India ('RBI') vide registration no. B.10.00086 dated May 27, 2016 under current RBI classification as NBFC - Investment and Credit Company (NBFC-ICC) – Non Deposit taking Systemically Important ('ICC-ND-SI') with more than 20 years of experience in asset finance business.

It is focused on offering financing of all kind of commercial vehicles (HCV, LCV, MUV, SCV), Cars, Tractors, Two-wheelers and MSME & Loan against property segment.

2. Regulatory Requirement

Section 177 of the Companies Act, 2013 and the Rules thereunder, prescribes that

- i. every listed company; or
- ii. the Companies which accepts deposits from the public; or
- iii. the Companies which have borrowed money from banks and public financial institutions in excess of Rupees Fifty Crores

shall establish a Whistle Blower policy / Vigil Mechanism for their directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

In terms of Regulation 9A (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, (hereinafter referred to as the "**Insider Trading Regulations**"), the Company is required to formulate a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information ("**UPSI**").

3. About the Policy

The Company, being a Non-Banking Financial Company has borrowed fund in excess of Rupees Fifty Crores, in compliance with the aforesaid provisions of the Companies Act, 2013 and the rules made thereunder, formulated a Whistle Blower and Vigil Mechanism Policy ("Policy")

The Company has also adopted a Code of Conduct & Ethics 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 directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases.

4. Objective of the Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The objective of this policy is to articulate the Kogta's point of view on whistle blowing, the process, and the procedure to strengthen whistle blowing mechanism in the Organisation.

This policy:

- Provides a platform and mechanism for the Employees and Directors to voice genuine concerns or grievances about unprofessional conduct without fear of reprisal;
- It provides an environment that promotes responsible and protected whistle blowing. It reminds Employees and Directors about their duty to report any suspected violation of any law that applies to the Company and any suspected violation of the Company Values or instances of leakage of UPSI or suspected leakage of UPSI or violation of the Code of conduct and/ or the insider trading code adopted by the Company or regulatory requirements including incorrect or misrepresentation of any financial statements and reports, etc.;
- Above all, it is a dynamic source of information about what may be going wrong at various levels within the Company and which will help the Company in realigning various processes and take corrective actions as part of good governance practice.

5. Scope of the Policy

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and 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 its employees. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

6. Definitions

- i. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act 2013 and in compliance with RBI Guidelines on Corporate Governance for NBFCs.
- ii. **“Employee”** means every employee of the Company, including the Directors in the employment of the Company.
- iii. **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- iv. **“Code”** mean Code of Conduct and Ethics for all the employees of the company adopted by Kogta Financial (India) Limited.
- v. **“Insider Trading Code”** means Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information adopted by the Company.
- vi. **“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.
- vii. **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy including suspected or actual instances of leak of unpublished price sensitive information (**“UPSI”**).
- viii. **“Vigilance Officer”** means an officer of the Company nominated by Competent Authority to conduct detailed investigation under this policy and to receive protected disclosure from

Whistle blowers, maintain record thereof, placing the same before the Audit Committee for its disposal and informing the Whistle blower the results thereof.

7. Eligibility

All Employees of the Company and various stakeholders of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

8. Receipt and disposal of Protected Disclosures

- i. All Protected Disclosures should be reported in writing by the Whistle Blower 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 following types of complaints will ordinarily not be considered and taken up:

- a. Complaints that are Illegible, if handwritten;
 - b. Complaints that are vague, with pseudonyms;
 - c. Complaints that are trivial or frivolous in nature;
 - d. Matters which are pending before a court of Law, State, National Human Rights Commission, Tribunal or any other judiciary or sub judiciary body;
 - e. Any matter that is very old from the date on which the act constituting violation is alleged to have been committed;
 - f. Issue raised, relates to service matters or personal grievance.
- ii. All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee/CEO & MD in exceptional cases. The contact details of the Vigilance Officer are as under: -

Mr. Shobhit Nawal
Kogta Financial (India) Limited
S-1, Gopalbari, Near Ajmer Pulia, Opposite Metro Pillar No. 143,
Jaipur 302001, Rajasthan
Email: s.nawal@kogta.in

- iii. Protected Disclosure against the Vigilance Officer should be addressed to the CEO & MD of the Company and the Protected Disclosure against the CEO & MD of the Company should be addressed to the Chairman of the Audit Committee.

Name and Address of CEO & MD of the Company:

Mr. Arun Kogta
Kogta Financial (India) Limited

S-1, Gopalbari, Near Ajmer Pulia, Opposite Metro Pillar No. 143,
Jaipur 302001, Rajasthan

Email: arun@kogta.in

Name and Address of Chairman (Audit Committee):

Mr. P R Kalyanaraman
Kogta Financial (India) Limited

S-1, Gopalbari, Near Ajmer Pulia, Opposite Metro Pillar No. 143,
Jaipur 302001, Rajasthan
Email: kalyanpr@yahoo.com

- iv. On receipt of the protected disclosure the Vigilance Officer / MD & CEO/ Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the Whistle Blower whether he was the person who made the protected disclosure or not. The record will include:
 - Brief facts;
 - Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - Details of actions taken by Vigilance Officer / Chairman of the Audit Committee/ MD & CEO for processing the complaint;
 - Findings of the Audit Committee;
 - The recommendations of the Audit Committee/ other action(s).
- v. The Audit Committee, if deems fit, may call for further information or particulars from the Whistle Blower.
- vi. In case any Unpublished Price Sensitive Information is shared or leaked by any person in contravention of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations), such instances may be reported to Vigilance Officer of the Company. Upon receipt of complaint relating to such leakage/suspected leakage of Unpublished Price Sensitive Information, the same would be investigated in accordance with the procedure as detailed in the Insider Trading Code and Insider Trading Regulations.

9. Process of Investigation of Protected Disclosures

- i. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Vigilance Officer of the Company who will investigate / oversee the investigations under the authorization of the Audit committee. The Chairman of Audit Committee / Vigilance Officer may at his/her discretion consider involving any investigators for the purpose of Investigation.
- ii. The decision to conduct an investigation taken into a Protected Disclosure by itself is not an acceptance of the accusation by the Authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.
- iii. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of the investigation.
- iv. Unless there are compelling reasons not to do so, Subjects will be given reasonable opportunity for hearing their side during the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

- v. Subjects shall have a duty to co-operate with the Vigilance Officer / Audit Committee during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- vi. Subjects shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.
- vii. Subjects shall have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- viii. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subjects shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- ix. Vigilance Officer shall normally complete the investigation within 60 days of the receipt of protected disclosure.
- x. In case allegations against the subject are substantiated by the Vigilance Officer in his/her report, the Audit Committee shall give an opportunity to Subject to explain his/her side.

10. Protection for Whistle Blower

- i. 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, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers 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 Whistle Blower's right to continue to perform his/her duties / functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. 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.
- ii. A Whistle Blower 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.
- iii. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- iv. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

11. Secrecy / Confidentiality

The Whistle Blower, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

- i. Maintain confidentiality of all matters under this Policy.
- ii. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- iii. Not keep the papers unattended anywhere at any time.
- iv. Keep the electronic mails / files under password.

12. Decision on investigation

- i. If an investigation leads the Vigilance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- ii. If the report of investigation is not to the satisfaction of the Whistle Blower, the Whistle Blower has the right to report the event to the appropriate legal. A Whistle Blower who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

13. Reporting

The Whistle & Ethics officer shall submit a report to the Chairman of the Audit Committee about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

14. Access to the 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.

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

16. Review

The Company's CEO, CFO and COO have been entrusted with the responsibility of enforcement of this policy. They are hereby given absolute power to jointly or severally, make necessary changes, amendments or additions or removals for the operational aspects of the policy within the overall spirit and guidance from time to time for reasons like technology or process upgradation, regulatory changes, maintaining competitive edge or responding to changes in market or risk environment, etc. This is required to ensure full operational freedom to the senior management and make the management team more adaptive to rapid changing external environment. All changes so made shall be noted to the policy approving authority during the next policy review.

The CEO, CFO and COO can decide on delegation of authority and can design / redesign MIS systems and reporting as they see fit to improve the responsibility and accountability within the team hierarchy.

Important Templates

Annexure 1 – Template for reporting violations/complaint

Annexure 1 - Template for Reporting Violation/Complaint
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To: Vigilance Officer/ MD & CEO/ Audit Committee

Please select the applicable incident type(s) from the list below that best describes the issue(s) you are reporting (please note that multiple issues can be selected)

- | | |
|--|--------------------------|
| 1. Misappropriation of company assets or resources | <input type="checkbox"/> |
| 2. Conflict of interest | <input type="checkbox"/> |
| 3. Inappropriate sharing of confidential information | <input type="checkbox"/> |
| 4. Financial fraud of any nature | <input type="checkbox"/> |
| 5. Violation of gifts and entertainment policy | <input type="checkbox"/> |
| 6. Non-adherence to safety guidelines | <input type="checkbox"/> |
| 7. Inaccurate financial reporting | <input type="checkbox"/> |
| 8. Bribery & Corruption | <input type="checkbox"/> |
| 9. Insider trading | <input type="checkbox"/> |
| 10. Other forms of Harassment – Victimization, Bullying, Discrimination etc. | <input type="checkbox"/> |
| 11. Social Media Usage | <input type="checkbox"/> |
| 12. Misuse of authority | <input type="checkbox"/> |
| 13. Environment, health and safety | <input type="checkbox"/> |
| 14. Concurrent employment | <input type="checkbox"/> |
| 15. Others _____ | <input type="checkbox"/> |

Please provide name, designation and department of the person(s) involved?

	Name	Department	Designation
Individual 1			
Individual 2			
Individual 3			
Individual 4			

When did the incident occur? (Please provide tentative date if you do not know the exact date)

Please confirm the location of the incident

How did you find out about this incident?

How long has this been occurring for?

- less than a month
- 1-6 months
- 6-12 months
- Greater than 12 months

Please provide a detailed description of the incident. to enable your Company to act on your complaint, you are requested to provide specific information where possible including names, location, date, time etc. (please note that this field is limited to 5,000 characters).

Do you have any evidence in support of your allegations?

- Yes
- No

Is anyone else aware of this incident?

- Yes
- No

Is there any additional information that would facilitate the investigation of this matter?

- Yes
- No

Have you reported this incident to anyone in the company?

- Yes
- No

Date: _____

Location: _____

Name of the Person reporting (optional): _____

Contact Information (incl. email optional): _____