WHISTLE BLOWER & PROTECTION POLICY

Preamble

SWARA launched Whistle Blowing Policy initiative. It is a platform on which our stakeholders (directors, employees & their representative bodies, business associates and security holders) can come together and help the organisation eliminate any malpractices in the system – referred to as "Whistle Blowing". Further in line with the Vigil Mechanism as per the Companies Act, 2013, representative bodies of employees, directors and security holders have also been included. The success of this initiative prompts us to formalize few more related aspects of the disclosures and the protection against victimization, enabling us to move a step forward towards successful Corporate Governance.

Adoption of Whistle Blower & Protection Policy/Vigil Mechanism as per the Companies Act, 2013.

Definitions

Abuse of Authority

Action or decision which is outside the scope of the alleged violator's position, scope of duties, or level of authority as authorized by the management. However, even actions or failure to take actions which are within the alleged violator's authority may constitute abuse of authority if the violator's motive or purpose is to harass, intimidate, or treat the stakeholder unreasonably or capriciously under the applicable facts and circumstances.

Conflict of Interest

Conflict of Interest arises when an employee is in a position to influence a decision in ways that could lead to any matter or form of personal gain to the employee or for his/her family member, or when the employee has a personal vested interest in the activity or decision.

Adverse Action

An employment related action, decision or a failure to take appropriate action by a supervisor or higher-level authority, which affects a stakeholder negatively.

The following are some of adverse personnel actions:

Termination of employment/contract, suspension, dismissal, discharge, demotion, harassment, written, reprimand, retaliatory investigation, decision not to promote, awarding an unwarranted performance rating, withholding of appropriate salary adjustments, imposition of involuntary transfer or reassignment, denial of awards, leave, benefits for which the stakeholder, as and wherever applicable, would normally be eligible.

Disclosure

Oral or written report by a stakeholder to the Direct Touch team of alleged wrongful conduction that is a matter of organizational concern.

Gross waste or misappropriation of Company funds

Action or decision which is outside the scope of the alleged violator's spending or budgetary authority, or even when the action or decision is within budgetary authority, the action would be considered by a reasonable person to be grossly excessive, wasteful, or an improper use of public funds.

Mismanagement

Action or decision which exceeds the scope of the alleged violator's responsibilities, or even if the action is within responsibilities, the action considered by a reasonable person to be grossly excessive or unfair.

Action

An employment related action or decision, which affects a stakeholder positively or negatively.

Knowing Retaliation

An adverse action taken by a supervisor or other authority against a stakeholder because of a prior disclosure of alleged wrongful conduct.

Employee

Employee means any Director (whether whole time or non-executive) or any person in the employment of the Company.

Stakeholder(s)

Stakeholder(s) shall mean Directors, Employees & their representative bodies, Business Associates and Security holders of the Company.

Website

The details of establishment of the Whistle Blower Policy shall be placed on website of the Company.

Purpose

1. To allow and encourage our stakeholders to bring to the management's notice, concerns suspecting unethical behaviour, malpractices, wrongful conduct, fraud, violation of the Company's Policies and such other similar practices;

2. To prohibit initiation of adverse action against a stakeholder or failing to take an appropriate action as a result of the employee's good faith, disclosure regarding alleged wrongful conduct, to any Member of the Audit Committee/ Vigil Mechanism Team; and

3. To build and strengthen a culture of transparency and trust in the organisation.

Applicability

All stakeholders (directors, employees & their representative bodies, business associates and security holders) of all the Branches/State Offices/ Registered Office/ Corporate Office of the Company.

Disclosure

1. Any stakeholder who becomes aware of a suspected wrongful conduct is encouraged to send his/her observations/concrete facts to any Member of the Audit Committee/ Vigil Mechanism Team through any oral or written communication, following with evidence (to the extent possible) without fear of reprisal or retaliation of any kind.

2. The information on suspected wrongful conduct is such information which the stakeholder in good faith, believe, evidence, believes to be.

a. violation of any law or regulation, including but not limited to corruption, bribery, theft, fraud, coercion and wilful omission;

b. pass back of commissions/benefits or conflict of interest;

c. procurement frauds;

d. mismanagement, gross wastage or misappropriation of Company funds/assets;

e. manipulation of Company data/records;

f. stealing cash/Company assets; leaking confidential or proprietary information;

g. unofficial use of Company's material/human assets;

h. activities violating Company policies including Code of Ethics and Conduct;

i. a substantial and specific danger to public health and safety;

j. an abuse of authority; and

k. an act of discrimination or sexual harassment.

Note: The above list is only illustrative and should not be considered as exhaustive.

3. In alleged wrongful conduct involving Senior Management, the stakeholder can directly approach the Chairperson of the Audit Committee. The present Chairperson of the Audit Committee is Ms. Varij Madhukar Pujara, Independent Director of the Company, can be contacted at address: Plot No 337, Ground Floor, Udyog Vihar, Phase-II, Gurugram – 122016 Haryana, India; Phone No.: +91 – 9810970292; e-mail: grievance@swarafincare.com.

4. If the Members of the Audit Committee/ Vigil Mechanism Team or Ms. Varij Madhukar Pujara are unavailable at any given time and matter is very urgent, the stakeholder may contact Mr. Sumit Ranjan at Phone No.: 0124 - 4462264; e-mail: info@swarafincare.com

Investigation

The Audit Committee/ Vigil Mechanism Team, upon receipt of any disclosure/information/report/evidence/complaint/such other act, shall investigate the disclosure/information/report/evidence/complaint/such other act to ascertain its genuineness and veracity. Based on the outcome of such investigation, the team shall recommend a corrective action to the Management, within thirty (30) days of the receipt of disclosure/information/report/evidence/complaint/such other act including but not limited to.

1. Close the complaint if wrongful conduct remains largely unsubstantiated, or
2. Initiate action against concerned person if complaint is founded correct on investigation, or
3. Recommend installation of a proactive system to overcome system weakness, making it more stringent.

If the Chairperson of the Audit Committee have a conflict of interest in a given case, they would rescue themselves and other members of the Audit Committee/ Vigil Mechanism Team, as the case may be, who are dealing with the respective matter. In case of repeated frivolous complaints being filed by a stakeholder, the Audit Committee may take suitable action against the concerned stakeholder including reprimand in case of director or employee. Management, on the basis of the recommendation of the Audit Committee/Vigil Mechanism Team, shall take appropriate action immediately.

Vigil Mechanism Team

The Vigil Mechanism Team members shall be selected keeping in view, that the members shall be;

- mature, well informed and trained;
- has an ability to intelligently analyse the facts of the complaint; and
- has an ability to deter mischief mongers by asking for critically important information in an affable style.

Confidentiality

Disclosure of wrongful conduct may be submitted on a confidential basis or may be submitted anonymously. Such disclosures will be kept confidential to the extent possible, convenient with the need to conduct an adequate investigation.

Protection against Victimization

No adverse action shall be taken against a stakeholder in "knowing retaliation", who makes any good faith disclosure of suspect wrongful conduct to the Vigil Mechanism Team. No director, supervisor or any other employee with authority to make or materially influence significant personnel decisions shall take or recommend an adverse personnel action against a stakeholder in "knowing retaliation" disclosing wrongful conduct in good faith.

Any director, supervisor or employee found to have so violated this Policy shall be subject to the disciplinary action, in accordance with existing rules, policies, and procedures of the Company.

Complaints

Not later than thirty (30) days after a current or former stakeholder is notified or becomes aware of an adverse personnel action against him/ her, he or she may protest the action by filing a written complaint with anyone in the Direct Touch Team if the employee believes the action was based on his or her prior disclosure in good faith, of an alleged wrongful conduct.

The Audit Committee/ Vigil Mechanism Team on receipt of such complaint, shall review the complaint expeditiously to determine the genuineness and veracity and within thirty (30) days shall notify the Management and the complainant of the results of the review and whether the adverse personnel action is affirmed, reversed, or modified. In case the Audit Committee/ Vigil Mechanism Team finds that the complaint is not pursuant to this policy, the stakeholder shall be referred to other available grievance processes to pursue the complaint.

Retention of documents

The Audit Committee/ Vigil Mechanism Team, as the case may be, shall have right to call for any information/ document and examination of any employee or director of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy.

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 seven years.

Review and Amendments

The Audit Committee and the Board of Directors of the Company shall at least once in a financial year, review the existence and functioning of the Vigil Mechanism. The Audit Committee is also empowered to amend this policy at any time consistent with requirements of applicable laws, rules and regulations.

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