

**VIGIL MECHANISM**  
**AND**  
**WHISTLEBLOWER POLICY**

*Pursuant to Regulation 22(1) of the SEBI (Listing Obligations and Disclosures Requirements)  
Regulations, 2015*

**R K SWAMY LIMITED**

*(Formerly Known as 'R K SWAMY BBDO Private Limited and R K Swamy Private Limited)*

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*(Duly approved by board of Directors of the company through meeting held on July 21, 2023)*

## 1. PREAMBLE:

Sections 177(9) and (10) of the Companies Act, 2013, as amended (the “**Companies Act**”), Regulation 22(1) of SEBI (Listing Obligation Requirements) Regulations, 2015 (“**Listing Regulations**”) and Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism –

- 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.

The afore-mentioned classes of companies are required to establish a vigil mechanism for Directors and Employees to report genuine concerns. The Companies Act prescribes that the vigil mechanism should also provide for adequate safeguards against victimization of such Directors or Employees or any other person who use such mechanism and should have provisions for direct access to the Chairperson of the Audit Committee of the Board of Directors, in appropriate or exceptional cases.

Further, Regulation 4(2)(d)(iv) of the Listing Regulations, inter alia, requires a listed entity to devise an effective whistleblower mechanism enabling stakeholders, including individual Employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

In compliance of the above requirements, this Vigil Mechanism and Whistleblower Policy (the “**Policy**”) is being established by R K Swamy Limited.

## 2. PHILOSOPHY/ OBJECTIVE:

The purpose of this Policy is to articulate the Group’s point of view on whistleblowing, the process, and the procedure to strengthen whistleblowing mechanism at RKS Group.

This policy:

- Provides a platform and mechanism for the Employees and Directors to report their genuine concerns or grievances about unprofessional conduct without fear of reprisal
- It provides an environment that promotes responsible and protected whistleblowing. It reminds Employees and Directors about their duty to report any suspected violation of any law that applies to the Group and any suspected violation of the Group Values or RKS Code of Conduct.
- Above all, it is a dynamic source of information about what may be going wrong at various levels within the Group and which will help the Group in realigning various processes and take corrective actions as part of good governance practice.

## 3. DEFINITIONS:

- a) “**Act**” means the Companies Act, 2013 read with Rules made thereunder as amended from time to time;
- b) “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act and read with Regulation 18 of Listing Regulations .

- c) **“Board of Directors” or “Board”** means the collective body of the Board of Directors of the Company, as constituted from time to time.
- d) **“Code of Conduct”** means the Code of Conduct for Directors, Senior Management and Employees.
- e) **“Company”** shall mean R K Swamy Limited.
- f) **“Corporate Governance Policies” or “Policies”** means Policies inter alia including, human resources policy, insider trading policy, anti-bribery and anti-corruption policy, etc. framed by the Company and / or its Board from time to time.
- g) **“Director”** shall mean a member of the Board of Directors of the Company.
- h) **“Employee”** means every Employee of the Company (whether working in India or abroad), including the directors in the whole-time employment of the Company.
- i) **“Frivolous Complaint”** means any complaint which is registered or attempted to be registered under this Policy with no evidence or on hearsay basis or with malafide intentions against the Subject, arising out of false or bogus allegations.
- j) **“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time.
- k) **“PIT Regulations”** means SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- l) **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behavior, actual or suspected fraud or violation of the Company’s codes or policies.
- m) **“RKS Group”** means R K Swamy Limited, its subsidiaries and step-down subsidiaries.
- n) **“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.
- o) **“Whistleblower”** means a Director, an Employee, Employee’s representative bodies, customer, vendor, supplier or any other stakeholder of the Company making a Protected Disclosure under this Policy.
- p) **“Unpublished Price Sensitive Information”** is as defined under Regulation 2(1)(n) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company’s ‘Policy for Inquiry in case of Leak of Unpublished Price Sensitive Information’

#### **4. APPLICABILITY OF THIS POLICY:**

All stakeholders of the RKS Group including the Directors, Employees of the Company and their representative bodies are eligible to make Protected Disclosures under the Policy.

## 5. SCOPE:

A Whistleblower can make a Protected Disclosure related to the below mentioned issues under this Policy:

- I. Fraudulent encashment through forged instruments, manipulation of books of accounts or any other accounting or auditing irregularities or misrepresentations.
- II. Misappropriation and criminal breach of trust.
- III. Asset Misappropriation, involving:
  - a. Theft
  - b. Fraudulent disbursements
  - c. Ghost Employees
  - d. Cheque tampering
  - e. Overstated or fictitious expenses
  - f. Teeming and lading
  - g. Bribery and kickbacks
  - h. Violation of applicable laws or regulations or of the Code of Conduct
  - i. Antitrust or insider trading violations including instances of leak of Unpublished Price Sensitive Information in terms of PIT Regulations
  - j. Any other type of fraud not coming under the specific heads as above

Career related or other personal grievances are not a part of the scope of this policy.

## 6. ROLE OF WHISTLE BLOWER

- a. 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.
- b. 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 Chief Ethics Officer of the Company or Chairperson of the Audit Committee or the Investigators.
- c. Protected Disclosures will be appropriately dealt with by the Chairperson of the Audit Committee.

## 7. SUBMISSION OF PROTECTED DISCLOSURES

- I. The Protected Disclosure can be directly sent to the "Chairperson of the Audit Committee":
  - a. through post/courier sent to registered office of the Company at:  
No.19, Wheatcrofts Road, Nungambakkam, Chennai- 600034
  - b. through email sent at: [nalinifca@gmail.com](mailto:nalinifca@gmail.com)
- II. If a protected disclosure is received by any Executive(s) of the Company other than Chairperson of the Audit Committee the same should be forwarded to the Chairperson of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower(s) confidential.

- III. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issue raised, by types in English or Hindi. However, complaints received orally may also be admitted for processing.
- IV. The Protected Disclosure should be forwarded under a covering letter that may be anonymous.
- V. The Chairperson of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigator for investigation, if required.
- VI. Protected Disclosure 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 concern.

## **8. PROCEDURE FOR INVESTIGATION / INQUIRY:**

### **a) Preliminary Inquiry:**

The object of preliminary inquiry is to ascertain the truth or otherwise of the allegations contained in the Protected Disclosure and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to initiate further investigation/inquiry. The preliminary inquiry shall be completed within 15 working days or such extended period as may be approved by the 'Chairperson of the Audit Committee', from the date of receipt of the Protected Disclosure and report thereof shall be submitted to the 'Chairperson of the Audit Committee'.

### **b) Further Investigation:**

If in the opinion of the 'Chairperson of the Audit Committee', the preliminary inquiry report or other facts in their possession warrant further investigation, then they may:

- i. constitute an Inquiry Committee which may consist of the following persons or any person as they may deem fit –
  - Group Chief Financial Officer;
  - Compliance Officer; and
  - Head of Human Resources

While selecting members of the Inquiry Committee due care should be taken for any direct or indirect conflict of interest. Before commencement of any inquiry under this Policy, each member of the Inquiry Committee will confirm to the Chairperson of the Audit Committee that he/she has no direct or indirect conflict of interest in conducting the inquiry in the concerned matter. After constitution of the Inquiry Committee if any member is found to have any conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand.

- ii. at their discretion, consider involving any internal or external Investigators for the purpose of investigation, depending upon the circumstances or severity of the Protected Disclosure.

The 'Inquiry Committee' and/or internal or external Investigators shall hereinafter referred to as "**Investigators**".

The identity of the Subject and the Whistleblower should be kept confidential to facilitate effective conduct of the investigation, to the extent possible given the legitimate needs of law and the investigation.

Decision to conduct further investigation is by itself not an accusation and should be treated as a neutral fact-finding process. The outcome of the investigation may or may not conclude that an improper or unethical act was committed.

## **9. INVESTIGATORS**

Investigators are required to conduct investigation as a fact-finding process. Investigators shall derive their authority and access rights from 'Chairperson of the Audit Committee' when acting within the course and scope of their investigation.

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 as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.

The Further Investigation shall normally be completed within 90 working days and the Investigation Report shall be submitted to the Chairperson of the Audit Committee.

## **10. RIGHTS AND OBLIGATIONS OF THE SUBJECT**

- a) The Subject shall-
  - co-operate with the Investigators during the investigation process.
  - Provide all information, as may be required by the Investigators.
- b) The Subject(s) has the 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.
- c) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in investigation report.
- d) No representative of the Whistleblower, whether legal or otherwise would be permitted to attend the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is credible evidence in support of the allegation.

## **11. DECISION**

If an investigation leads the 'Chairperson of the Audit Committee to conclude that an illegal or unethical behavior, fraud or violation of the Company's Codes or any improper activity has taken place or has been committed, they shall recommend to the management of the Company to take disciplinary or corrective action as they may deem fit.

## **12. REPORTING**

A report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee on a half yearly or on case to case basis.

### **13. PROTECTION**

- a) No unfair treatment would be meted out to a Whistleblower(s) 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 the Whistleblower(s). Complete protection would, therefore, be given to the Whistleblower(s) against any unfair practice like retaliation, threat or intimidation of termination or suspension of service, transfer, demotion, refusal of promotion etc., including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his duties or functions including making further Protected Disclosure. Subsequently, the Company would take steps to minimize difficulties, which the Whistleblower(s) may experience as a result of making the Protected Disclosure. The Whistleblower will be provided protection during the course of investigation and protection will not be extended if the allegation is proved to be false or frivolous.
- b) While it would be ensured that Whistleblower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.
- c) Any other Director or Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower(s).
- d) The identity of the Whistleblower(s) shall be kept confidential unless otherwise required by law, in which case the Whistleblower(s) would be informed accordingly.
- e) A Whistleblower(s) may report any violation of the above clause to the Chairperson of the Audit Committee, who shall investigate the same and recommend suitable action to the management.
- f) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower(s) knowing it to be false or bogus or with a mala fide intention.
- g) In case of repeated frivolous Protected Disclosures made by the Whistleblower, the Company reserves the right to take appropriate disciplinary action against the Whistleblower including reprimand or suspension or disqualifying such person from reporting further Protected Disclosures under this Policy.

### **14. CONFLICT OF INTEREST**

Where a Protected Disclosure concerns any member of the Inquiry Committee or the Chairman of the Audit Committee, that member shall be prevented from acting in relation to that Protected Disclosure. In case of doubt, the Chairman of the Board shall be responsible for determining whether the member must recuse himself or herself from acting in relation to a Protected Disclosure.

### **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 minimum period of seven years provided that the personal data can be maximum kept for two months since the 'Protected Disclosure' has been archived.

**16. COMMUNICATION**

The Policy shall also be placed on the website of the Company.

**17. AMENDMENT**

The Board reserves the right to amend this Policy at any time and in any manner upon the recommendation of the Audit Committee. Any amendment to this Policy shall take effect from the date when the Board approves it. Whilst best efforts have been made 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. Further, rules and procedures may also be established from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

In case of any subsequent changes in the provisions of any applicable laws and regulations which make any of these clauses/ provisions in this Policy inconsistent with the applicable law, the provisions of the applicable law shall prevail.

**18. ANNUAL AFFIRMATION**

The Company shall annually affirm that it has not denied any person access to the Audit Committee and that it has provided protection to Whistleblower(s) from adverse personal action, wherever applicable. The affirmation shall form a part of the Corporate Governance Report as part of the Annual Report of the Company.

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