

# **Vigil Mechanism Policy**

**Rare Equity Private Limited** (The "Company") believes in the conduct of the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct or violation of law in force.

## **1. Background**

Pursuant to Fifth Amendment to the SEBI Listing Regulations, 2015 ("SEBI Listing Regulations") dated 7 September 2021, certain corporate governance provisions under Chapter IV of the SEBI Listing Regulations have been extended to "High Value Debt" Listed Entities. High Value Debt listed entities are those entities which have listed its non-convertible debt securities and the outstanding value of such non-convertible debt securities is Rs. 500 Crore (Rupees Five Hundred Crore) or more. Accordingly, the Company being one such entity is required to comply with Regulations 22 of the SEBI Listing Regulations, 2015.

## **2. Preface**

The Company has a code of conduct for the Board of Directors and Senior Executives of the Company.

Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 requires every listed company and the companies belonging to the following class or classes shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances-

- (a) the Companies which accept deposits from the public;
- (b) the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.

The Regulation 22 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 requires all listed entity shall formulate a vigil mechanism /whistle blower policy for directors and employees to report genuine concerns.

## **3. Policy Objective**

This policy is formulated to provide an opportunity to employees and an avenue to raise concerns and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for

protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees

#### **4. Scope**

This Policy covers malpractices and events which have taken place or 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.

#### **5. Definition**

The definition of some of the key terms used in this policy are given below:

“Employee” means all the present employee and Directors of the Company.

“Investigators” mean those persons authorized, appointed, consulted or approached by Audit Committee and includes the auditors of the Company.

“Protected Disclosure” means any communication made in good faith that disclosure or demonstrates information that may evidence unethical or improper activity.

“Compliance Officer” means, “Company Secretary” of the Company.

“Policy” means Vigil Mechanism Policy of the Company.

“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.

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

#### **6. Eligibility**

All Employees of the Company are eligible to make Protected Disclosure under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

#### **7. Interpretation**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 read along with the rules as amended from time to time.

## **8. Guidelines**

### **a. Protection under Policy**

The Vigil Mechanism shall provide for adequate safeguards against victimisation of employees and directors or such whistle blower who avails of the vigil mechanism and report their genuine concerns and grievances.

### **b. Frivolous complaints**

In case of repeated frivolous or malafide complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee.

## **9. Procedure**

Any employee or director shall submit a report of the genuine concerns or grievances to the Audit Committee.

An audit committee shall oversee through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

In exceptional case, the vigil mechanism shall provide direct access to the Chairperson of the Audit Committee.

Audit Committee shall appropriately investigate all grievances received. In this regard, Audit Committee to investigate into the matter and prescribe the scope and time limit therefore.

Audit Committee shall have right to outline detailed procedure for an investigation.

The Audit Committee or chairperson, 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.

A report shall be prepared after completion of investigation and the Audit Committee shall consider the same.

The decision or direction of Audit Committee shall be final and binding.

The Contact details for addressing and sending the Complaints is as follows:

The Chairperson  
Audit Committee,

Rare Equity Private Limited  
151, Nariman Bhavan, 15<sup>th</sup> Floor,  
Nariman Point, Mumbai-400021

## **10. Investigation**

- a) The investigation would be carried out to determine the authenticity of the allegations and for fact-finding process.
- b) The investigation team should not consist of any member with possible involvement in the said allegation.
- c) During the course of the investigation:
  - Audit Committee will have authority to take decisions related to the investigation.
  - Any required information related to the scope of the allegation would be made available to the investigators.
- d) The findings of the investigation should be submitted to the Audit committee by the investigator with all the supporting documents

## **11. Role of Investigator**

- a) A structured approach should be followed to ascertain the creditability of the charge.
- b) Ensure the confidentiality and secrecy of the issue reported and subject is maintained.
- c) Provide timely update to the Ethics Committee on the progress of the investigation.
- d) Ensure investigation is carried out in independent and unbiased manner.
- e) Document the entire approach of the investigation.
- f) Investigation Report including the approach of investigation should be submitted to the Ethics Committee with all the documents in support of the observations.

## **12. Maintaining Secrecy and Confidentiality**

Rare Equity Private Limited expects individuals involved in the review or investigation to maintain complete confidentiality. Disciplinary action may be initiated against anyone found not complying with the below:

- a) Maintain complete confidentiality and secrecy of the matter.

- b) The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c) The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.
- d) Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e) Ensure secrecy of the whistle blower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.

### **13. Protection**

- a) 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 Blower. Complete protection will therefore be given to Whistle Blower 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 duties or functions including making further Protected Disclosures.
- b) The Company will take 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.
- c) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the Whistle blower will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the Whistle Blower being disclosed, the Audit Committee is authorised to initiate appropriate action.
- d) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- e) A Whistle Blower may report any violations of the above clause to the Chairperson of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

#### **14. Access to Chairperson of the Audit Committee**

The Whistle Blower shall have right to access Chairperson of the Audit Committee directly in exceptional cases and the Chairperson of the Audit Committee is authorized to prescribe suitable directions in this regard.

#### **15. Communication**

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by email and the website of the company.

#### **16. 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 at least 7 (seven) years or such other period as specified by any other law in force, whichever is more.

#### **17. Amendment**

The Audit Committee reserves the 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 and Directors unless the same is notified to them in writing.

The Board 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.

#### **18. Intimation**

The Compliance Officer shall be responsible for intimating to all Directors and Departmental heads of any changes in policy. The policy as amended from time to time shall be disclosed by the Company on its website and in the Board's report.