

VIGIL MECHANISM /
WHISTLE BLOWER POLICY
OF
CONTINENTAL SECURITIES
LIMITED

1. PREFACE:

The Companies Act, 2013 mandates every listed Company and such other class of Companies, as may be prescribed, to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors (“the Code”), which lays down the principles and standards that should govern the actions of the Company, its directors and employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company.

The amended Clause 49 of the Listing Agreement with Stock Exchanges also, inter alia, contains similar requirement for establishment of a Vigil Mechanism termed ‘Whistle Blower Policy’ for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

The Vigil Mechanism/Whistle Blower Policy also needs to provide for adequate Safeguards against victimization of director(s)/employee(s) who avail of the Vigil Mechanism and to make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Considering the applicability of Section 177(9) of the Companies Act, 2013 and also Clause 49 of the Listing Agreement with Stock Exchanges, the Company has formulated this Vigil Mechanism/Whistle Blower Policy in compliance thereto.

2. **Definitions:**

The definitions of some of the key terms used in this Policy are given below:

“**Alleged wrongful conduct**” shall mean violation of applicable laws to the Company, Infringement of Company’s rules, misappropriation of monies, substantial and specific danger to public health and safety non-adherence to the Code or abuse of authority.

“**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 read with Clause 49 of the Listing Agreement with the Indian Stock Exchanges.

“**Employee**” means every employee of the Company including the directors in the employment of the Company.

“**Code**” means the Continental Securities Limited Code of Conduct.

“**Investigators**” means that person authorised, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of the Company and the policy.

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

“**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 or director making a Protected Disclosure under this Policy.

3. Scope:

a. The Whistle blower’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. Whistle blowers 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 Chairman of the Audit Committee or the Investigators.

c. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.

4. Eligibility.

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

5. Disqualifications.

a. 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.

b. 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 or with a mala fide intention.

c. Whistle blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, 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 Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

6. Procedure

a. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.

b. In respect of all other Protected Disclosures, should be addressed to the Chairman of the Audit Committee of the Company .

c. The contact details of the Chairman of the Audit Committee are as under:

Mr. SURESH KUMAR GUPTA,
Address: B-15 , SAKET COLONY ,
ADARSH NAGAR
Jaipur

If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee , the same should be forwarded to the the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the whistle-blowers confidential.

e. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle-blower.

f. The Protected Disclosure should be forwarded under a covering letter which may bear the identity of the Whistle-blower. The Chairman of the Audit Committee, shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

g. 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.

h. The Whistle-blowers may disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will also be entertained. However it may not be possible to interview the Whistle-blowers and grant him/her protection under the policy.

7. Investigation

A. 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. In case where a company is not required to constitute an Audit Committee, then the Board of directors shall nominate a director to play the role of Audit Committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

b. The Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.

- c. The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle blower that an improper or unethical act was committed.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than Investigators and/or members of the Audit Committee and/or the Whistle blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects 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.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure

8. 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-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-blowers 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.

b. A Whistleblower 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.

c. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).

d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

9. Investigators

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

b. Technical and other resources may be drawn upon as necessary to arugment 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.

c. Investigations will be launched only after a preliminary review which establishes that:

d. the alleged act constitutes an improper or unethical activity or conduct, and
 ii. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

10. Decision

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee deems 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.

11. Reporting

The Ethics Counsellor shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

12. 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**.

13. 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 employees and directors unless the same is notified to the employees and directors in writing.

FORMAT FOR PROTECTED DISCLOSURE

Date:

To,
 Chairperson
 Audit Committee
 Continental Securities Limited
 301, Metro Plaza , Gopalbari
 Jaipur, Rajasthan 302001

Name of the Whistle Blower	
Designation	
Department/ Division	
E- mail id	
Communication Address	
Contact No.	
Subject matter which is reported	
(Name of the person/ event focused at)	
Brief about the concern	
Evidence (enclose, if any)	
Other Information (if any)	

SIGNATURE

Note: The form shall be submitted within 30 days of the Occurrence of the concern/ event/Grievances.