

Vigil Mechanism Policy

1. Preamble

The "Vigil Mechanism" encourages Directors and employees (hereinafter referred to as 'employees') to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of that could adversely impact the Company's operations, business performance and / or reputation. The Company will investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014, requires every listed company and the Company which accept deposits from the public or the Companies which have borrowed money from the banks and public financial institutions in excess of fifty crore rupees, shall establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

2. Definition:

"Protected Disclosure" means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity as mentioned in the scope of this policy with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

"Complainant" is a Director or employee who makes a Protected Disclosure under this Policy.

3. Policy

In compliance with the above requirements, Marwadi Shares and Finance Limited has established a Vigil Mechanism and formulated a Policy in order to provide a framework for responsible and secure vigil mechanism. It is Marwadi's Policy

- To create an environment where every employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the Marwadi Shares and Finance Limited.
- To investigate such reported incidents in a fair manner
- To take appropriate disciplinary action against the delinquent employee(s)
- To ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company.
- The practice of this Policy will be overseen by the Audit Committee.

4. Coverage of Policy

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- Abuse of authority
- Breach of contract
- Manipulation of company data/records
- Financial irregularities, including fraud, or suspected fraud
- Criminal offence
- Leaking of confidential or proprietary information of the Company
- Deliberate violation of law/regulation
- Wastage/misappropriation of company funds/assets
- Any other unethical, biased, favoured, imprudent event

Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

5. Procedure

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 90 days after the complainant becomes aware of the same and should either be typed or written in a legible handwriting.

The Protected Disclosure should be submitted by way of Registered Post under a covering letter signed by the complainant in a closed and secured envelope and should be superscribed as “Protected disclosure under the Vigil Mechanism” or sent through email with the subject “Protected disclosure under the Vigil Mechanism”. If the complaint is not superscribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company who is the Chairman of the Audit Committee.

The contact details of the Vigilance Officer are as under:

Name and Address: Mr. Ketan H. Marwadi

Marwadi Shares and Finance Limited Marwadi Financial Plaza, Nana Mava Main Road Off. 150 Feet Ring Road, Rajkot-360001, Gujarat

Email: kmarwadi@marwadionline.in

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Vigilance Officer.

The Vigilance Officer shall not entertain Anonymous / Pseudonymous disclosure. On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the WhistleBlower and process only the Protected Disclosure.

All protected disclosures made pursuant to the whistleblower policy/vigil mechanism should be brought to the attention of the Chairman of the Audit Committee

6. Investigation

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either personally or by involving any other officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 60 days of receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter

7. Decision and Reporting

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Vigilance Officer shall recommend to the Audit Committee of the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit. 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.

A report with a number of complaints received under the Policy and their outcome shall be placed before the Audit Committee of the Board on an annual basis.

A complainant 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

8. Confidentiality

The Complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss

only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

9. Protection

No unfair treatment will be meted out to a Complainant by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimization of complainants shall be provided. The Company will take steps to minimize difficulties, which the Complainant may experience as a result of making the Protected Disclosure.

The identity of the Complainant shall be kept confidential to the extent possible and permitted under law. Any other employees assisting in the said investigation shall also be protected to the same extent as the Complainant.

10. Disqualifications

While it will be ensured that genuine WhistleBlowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a WhistleBlower knowing it to be false or bogus or with mala fide intention.

11. Access to the Chairman of the Audit Committee

The Whistle Blower shall have a 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.

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 period of 2(two) years or such other period as specified by any other law in force, whichever is more.

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 Directors and employees unless the same is not communicated in the manner described above.

14. Communication

Directors and Employees shall be informed of the Policy by publishing on the website of the Company.