

CFM ASSET RECONSTRUCTION PRIVATE LIMITED

Whistle Blower Policy/Vigil Mechanism

November 2024

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1. Introduction

Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates that every listed company which accepts deposits from the public, a company which has borrowed money from banks/Fis I excess of Rs. 50 crores are required to constitute a vigil mechanism.

(ii) Pursuant to the provisions of Section 177 (9) & (10) read with Rule 7 of The Companies (Meeting of Board and its Powers) Rules, 2014, the company has framed Whistle Blower Policy/Vigil Mechanism, which lays down the principles and standards governing the reporting and resolution of genuine concerns or grievances of the employees of the Company.

(iii) The vigil mechanism shall be overseen by the Audit Committee of the Board (ACB).

2. Applicability of the Policy

This policy is applicable to the directors, key management personnel, and employees as well as contractual employees of the company.

3. Objectives of the Policy

(i) The policy aims at establishing a mechanism to receive complaints relating to disclosure on any allegation of corruption or wilful misuse of power/discretion, to report concerns about unethical behaviors or about actual or suspected fraud, violation of applicable laws and regulations, irregularities, misconduct, incorrect or misrepresentation of any financial statements and reports, unauthorised disclosure of unpublished price sensitive information or alleged violation of insider trading laws, trading code of conduct, etc., or violation of code of conduct that can lead to financial or reputational loss to the company, to the extent applicable.

(ii) The vigil mechanism provides for adequate safeguards against victimization of the whistleblower and provides for direct access in certain cases to the chairman of the ACB.

(iii) Subject to the provisions of this policy, this neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations.

4. Scope of the Policy

The policy covers malpractices and events, which have taken place/ suspected to take place involving the followings:

- (i) abuse of authority
- (ii) breach of contract
- (iii) manipulation of company's data/records and financial irregularities, including fraud or suspected fraud or deficiencies in internal control or deliberate error in preparations of financial statements or misrepresentation of financial reports
- (iv) pilferage of confidential proprietary information
- (v) deliberate violation of law/regulation
- (vi) breach of company's policies or failure to implement or comply with any approved policy of the company
- (vii) unauthorized disclosure of unpublished price sensitive information or alleged violation of insider trading laws, trading code of conduct, etc.
- (viii) violation of code of conduct of the company
- (ix) Any other act that is detrimental to the interest of the stakeholders of the company

5. Procedure/Reporting

(i) All protected disclosures shall be reported in writing to the nominated director and the following details of the nominated director are furnished in the company's website:

Shri Mukesh Gupta

402, Kesar Exotica, sector 10

Kharghar, Navi Mumbai

Email: mk.gupta_3@yahoo.co.in

(ii) The protected disclosure shall be submitted under a covering letter signed by the whistleblower giving his/ her full details like name, contact details, and full identification information in a closed and secured envelope and shall be superscribed as "Protected Disclosure under the Vigil Mechanism Policy" or sent through email with the same subject.

(iii) The protected disclosures shall be factual and not speculative or in the nature of a conclusion and shall 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.

(iv) The nominated director on the receipt of any of the protected disclosures shall make a record of the disclosure.

(v) The nominated director and investigator shall maintain confidentiality on the identity of the whistleblower.

6. Investigation

(i) On receipt of protected disclosure, the nominated director shall, with the help of an investigator, carry out preliminary review to ascertain the genuineness of the protected disclosure. If it is found to be genuine, such protected disclosures shall be thoroughly investigated by the nominated director or the investigator, so appointed by the nominated director.

(ii) The investigator is required to conduct a process towards fact finding and analysis. The investigator shall derive his/their authorities from the nominated director, for acting within the course and scope of his/their investigation.

(iii) If the nominated director or investigator involved in the investigation has a conflict of interest in the case, they shall recuse themselves and any other member of the ACB would deal with the matter.

(iv) The nominated director /investigator as it deems fit, may call for further information from the whistleblower.

(v) The nominated director shall inform the ACB about the receipt of protected disclosure and the action being taken.

(vi) The identity of the subject shall be kept confidential.

(vii) The subject will normally be informed of the allegations and will be provided with an opportunity of being heard during the investigation.

(viii) The nominated director/investigator shall conduct such investigation in a timely manner. The nominated director shall submit a written report containing the findings of the investigation along with his recommendations to the ACB as soon as possible and in any case, not later than 60 days from the date of receipt of the protected disclosure. The ACB may allow additional time for submission of the report based on the circumstances of the case, based on the request in writing by the nominated director.

(ix) If an investigation leads to a conclusion that an improper or unethical act has been

committed, the ACB shall recommend to the board of directors of the company to take such disciplinary or corrective action, as it may be deemed fit.

(x) The nominated director shall ensure action on the decisions of the board of directors and keep the whistleblower informed of the same.

7. Confidentiality of all Matters

(i) The whistleblower, the nominated director, the subject, investigator, and other persons involved in the investigation process shall maintain confidentiality of all matters under this policy.

(ii) The confidentiality of the protected disclosures along with the results of investigation relating thereto shall be maintained.

(iii) The protected disclosures and results of the investigation documented in writing shall be kept in safe custody and maintained by the Company for a minimum period of five years.

8. Protection of the Whistleblower

No unfair treatment shall be meted out to a whistleblower by virtue of his/her having reported a protected disclosure under this policy. Adequate safeguards against victimization of whistleblowers shall be provided.

9. Disqualifications

(i) While the company shall ensure that genuine whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out.

(ii) The 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 a malafide intention.

(iii) The whistleblowers who make three or more protected disclosures, which have been subsequently found to be either malafide, baseless, frivolous, malicious or in badfaith, will be disqualified from reporting further protected disclosures under this policy. In respect of such whistleblowers, the company would reserve its right to take/recommend appropriate disciplinary action.

10. Awareness of the Whistleblower Policy

The policy shall be placed on the company's website and circulated amongst the members of the staff by HR team on a quarterly basis, with a view to spreading awareness of the availability of the whistleblower process in the company, among the employees.

11. Review

The policy shall be reviewed once in two years or earlier if any changes are necessitated by any changes in law or regulation or otherwise.

12. Definitions

(i) "disciplinary action" means any action that can be taken on the completion of/ during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties, termination of employment or any such action as is deemed to be fit considering the gravity of the matter.

(ii) "employee" means an employee on the rolls of the company.

(iii) "fraud" in relation to affairs of a company includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to adversely impact the interests of the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.

(iv) "investigator" means those persons authorised, appointed, consulted, or approached by the nominated director and may include the auditors of the company.

(v) "nominated director" means a director nominated by the board of directors for the purpose of addressing the complaints/ protected disclosures made under this Policy.

(vi) "protected disclosure" means a concern raised by whistleblower, through a written communication and made in good faith which discloses or demonstrates verifiable information about an unethical or improper activity with respect to the company. It shall be factual and not speculative or in an interpretation/conclusion and shall contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

(vii) "subject" means a person/(s) against or in relation to whom a protected disclosure has been made or evidence gathered during an investigation.

(viii) "whistle blower" means employees or directors making a protected disclosure under this policy.