



JM FINANCIAL CAPITAL LIMITED

WHISTLE BLOWER POLICY

JANUARY 2021

1. ***Preface:***

- a. The Company believes that the business affairs should be conducted in a fair, transparent, professional, honest, integral and in most ethical manner.

To give effect to this, the “JM Financial Code of Conduct” (the Code), lays down the principles, standards and practices that govern the actions of the employees of the Group. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Group. The role of the employees in pointing out such violations of the Code cannot be undermined.

The provision in the Code requiring all employees to report, violations if any, to the Management, which states:

Reporting Misconduct

The Firm's reputation for integrity depends upon your conduct. You are the Firm's first line of defense against civil or criminal liability and unethical business practices.

If you believe or you have reason to believe that you may have violated the law or the Firm's standards, you must report your behavior to your manager or the Firm immediately. Additionally, if you observe or become aware of any illegal or improper conduct on the part of another employee or a consultant, supplier, client, counterparty or other third party, you must communicate that information to your direct manager and, if appropriate or necessary, to a more senior manager or Compliance or Firm Management, to make certain that the situation will be addressed. The employees of the Company can also report instances of leak of Unpublished Price Sensitive Information (UPSI) under the mechanism provided in the Policy.

- b. Section 177(9) of the Companies Act, 2013 requires:

- every listed company;
- the companies which have accepted deposits from the public; and
- the companies which have borrowed moneys from banks and public financial institutions in excess of Rs. 50 crore.

to establish a vigil mechanism for directors and employees to report their genuine concerns or grievances. The vigil mechanism is required to provide adequate safeguards against victimisation of employees and directors who avail the vigil mechanism and to provide for direct access to the Chairperson of the Audit Committee in appropriate cases.

- c. Accordingly, this Whistle Blower Policy (the Policy) has been formulated for the employees of the Group Companies to raise to the Chairman of the Audit

Committee of the Company, concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud

- d. The Policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This Policy protects such directors and employees from unfair or prejudicial treatment by anyone within the Company or its subsidiary companies, if any.

However, this Policy does not protect an employee from an adverse action in relation to his poor job performance, any other behavior deserving disciplinary action, etc. that are unrelated to the disclosure made.

2. **Definitions**

- a. ***'Audit Committee of the Company'*** means the Audit Committee of JM Financial Capital Limited, constituted by the Board of Directors of the Company.
- b. ***'Company'*** means JM Financial Capital Limited.
- c. ***'Disciplinary Action'*** means any action that can be taken on the completion of / during the investigation proceedings including but not limited to warning, imposition of fine, suspension from official duties or such action as is deemed to be fit considering the gravity of the matter.
- d. ***'Employee of the Group Companies'*** means the employee(s) to whom the JM Financial Code of Conduct applies.
- e. ***'Good Faith'*** employees shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct.

Good faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about unethical and improper activity(ies) or alleged wrongful conduct is malicious, false and frivolous.

- f. ***'Group Company'*** means the companies belonging to JM Financial Group.
- g. ***'Protected Disclosure'*** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity(ies).
- h. ***'Subject'*** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

- i. 'Whistle Blower' means the employees or directors of the Company and/or its Group companies who makes a Protected Disclosure under this Policy.*

3. The Guiding Principles:

- a. To ensure that this Policy is adhered to, and to assure that the concerns will be acted upon seriously, it will be ensured that:*
 - i. the Whistle Blower and/or person processing the Protected Disclosure will not be victimized for doing so;*
 - ii. victimization will be treated as a serious matter requiring investigation including initiation of disciplinary action on such person(s);*
 - iii. complete confidentiality of the Whistle Blower shall be maintained at all times;*
 - iv. no attempt shall be made to conceal evidence of the Protected Disclosure;*
 - v. disciplinary action may be taken, if anyone destroys/conceals or tries to destroy/conceal evidence of the Protected Disclosure made/to be made.*
 - vi. an appropriate opportunity of being heard will be given to the Subject.*
- b. This Policy shall not be used in place of the Company grievance procedure or be a route for raising malicious or unfounded allegations against colleagues.*

4. Scope:

- a.** This Policy is an extension of the JM Financial Code of Conduct. 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 shall not act on their own conducting any investigative activities, nor do they have a right to participate in any investigative activities other than when specifically requested to do so.

5. Disqualifications:

- a.** While it is ensured that genuine Whistle Blower shall be accorded complete protection from any kind of unfair treatment, any abuse of this protection will warrant disciplinary action.
- b.** Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *malafide or malicious* or Whistle Blower who makes three or more Protected Disclosures, which have been subsequently found to be *frivolous*,

baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy and may be subject to strict disciplinary action.

- c. Whistle Blower must put his/her name to the Protected Disclosure. Concerns expressed anonymously ***WILL NOT BE*** investigated.
6. **Procedure:**
- a. The Protected Disclosure by a Whistle Blower should be made in writing as soon as possible but not later than 30 calendar days after he/she becoming aware of the same.
 - b. The said Protected Disclosure shall be sent and delivered to the Chairman of the Audit Committee of the Company in a sealed envelope marked as ***“Strictly Private & Confidential – to be opened by Addressee only”***. ***At the following address.***
Chairman of the Audit Committee of JM Financial Capital Limited

***7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025***

Alternatively, the whistle blower may email Protected Disclosure at anup@ppscsco.in

- c. The Chairman of the Audit Committee shall report the incidences of whistle blown to the Audit Committee, who upon the receipt of Protected Disclosure may either investigate the matter on its own or may appoint a senior executive or a Committee of managerial personnel to investigate (‘Investigators’) into the matter and prescribe the scope and time limit thereof. The Audit Committee may also outline a detailed procedure for an investigation, which is required to be followed by designated senior executive or a Committee of managerial personnel, as the case may be, at the time of conducting the investigation in respect of Protected Disclosure being investigated. Where the matter relates to any leakage of UPSI, the inquiry shall be as per the Company’s Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- d. If any of the members of the Audit Committee has a conflict of interest in any case, they should recuse themselves and the others on the Committee would deal with the matter on hand.
- e. The decision to conduct an investigation taken by 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 or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- f. The Audit Committee or senior executive or a Committee of managerial personnel, as the case may be, shall have right to call for any information/document and

examination of the Subject or any employee of the Company or its subsidiaries or other person(s), as they may deem appropriate for the purpose of conducting investigation under this Policy. The identity of the Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation. The Subject will be informed of the allegations at the appropriate stage and will be given opportunities to provide their explanations during the investigation.

- g.** Subjects shall have the duty to co-operate with the Audit Committee and the Investigators during the investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- h.** Subjects have a right to be informed of the outcome of the investigation.
- i.** A report shall be prepared after completion of investigation and the Audit Committee shall consider the same.
- j.** If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall take such disciplinary or corrective action as it 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 staff conduct and disciplinary procedures.
- k.** All Protected Disclosures or documents along with the results of investigation relating thereto shall be retained for a minimum period of seven years.

7. Amendment

The Company reserves the right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever. The Audit Committee will also review the Whistle Blower Policy and suggest amendments to make it responsive and relevant to the changing times.

8. Annual Affirmation:

The Company shall annually affirm that it has not denied any personal access to the Audit Committee and that it has provided protection to whistle blower from adverse personal action, wherever applicable. The affirmation shall form part of Corporate Governance report forming part of the Annual Report of the Company.

9. Disclosure:

The details of the Whistle Blower mechanism shall be disclosed by the Company on its website and also in the Board's report, as required under the Companies Act, 2013 and under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time.