

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Preface

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the Kwalitiy Code of Conduct & Ethics ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. . The Company is committed to developing a culture where it is safe for any Whistle Blower to raise concerns about any poor or unacceptable practice and any event of misconduct.

Section 177 (9) of the Companies Act, 2013 read with Companies (MEETINGS OF BOARD AND ITS Powers) Rules, 2014 and clause 49 of Equity Listing Agreement (as amended by the Securities and Exchange Board of India (SEBI) vide its circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014) mandated the establishment of vigil mechanism for all the listed companies, as part of the whistle blower policy, for the Directors and Employees of such companies to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. It also provides that a whistle blower mechanism be provided by such company enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

In compliance of the above requirements, Kwalitiy Credit & Leasing Ltd., being a Listed Company has established a Vigil Mechanism/Whistle Blower and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

Objectives

- To encourage employees to bring genuine ethical and legal concerns, violations and suspected fraudulent behaviour of which they are or become aware of, to an internal authority so that action can be taken immediately to resolve the problem.
- To minimize the Company's exposure to the damage that can occur when the employees actually or potentially try to circumvent internal mechanisms in furthering the aforementioned concerns, violation and frauds.
- To let employees know that the Organization is serious about adherence to Code of conduct or policy.

Scope

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company's rules, manipulations, negligence causing danger to public health and

safety, misappropriation of monies and other matters or activities on account of which the interest of the Company is affected.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation

Definitions

“Company” means Kwaliti Credit & Leasing Ltd.

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 292A /sec 177 of the Companies Act, 1956/ Companies Act 2013 and read with revised Clause 49 of the Listing Agreement with the Stock Exchanges.

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

“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 is made or evidence gathered during the course of an investigation.

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

“Whistle Officer” or “Investigator(s)” means an officer of the company nominated by Competent Authority to conduct detailed investigation under this policy and to receive protected disclosure from Whistle blowers, maintain record thereof, placing the same before the Audit Committee for its disposal and informing the Whistle blower the results thereof.

“Disciplinary Action” means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

Eligibility Criteria

All Employees of the Company and various stakeholders of the company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

Procedure

All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blower

policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Whistle & Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name/address on the envelop nor enter into any further correspondence with the Whistle & Ethics Officer. The Whistle & Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

The Company shall not entertain anonymous/ pseudonymous disclosures.

All Protected Disclosures should be addressed to the Whistle Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. The contact details of the Whistle Officer is as under: -

Name	Designation	Correspondence Address	E-mail ID
Amu Thapa	Director	27, Weston Street, 5 th Floor, Room No. 526, Kolkata – 700 012	amu.thapa@yahoo.com

Protected Disclosure against the Whistle Officer should be addressed to the Chairman of the Audit Committee. The contact details of the same is as under: -

Name	Designation	Correspondence Address	E-mail ID
Suresh Kumar Jain	Chairman – Audit Committee	27, Weston Street, 5 th Floor, Room No. 526, Kolkata – 700 012	kwalitycredit50@yahoo.com

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.

Investigation

All Protected Disclosures reported under this Policy will be thoroughly investigated.

The decision taken by the Ombudsperson/Audit Committee Chairman to conduct an investigation is by itself not to be construed as an accusation and is to be treated as a neutral fact finding process.

The identity of the subject(s) and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.

Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, threatened or intimidated by the subject(s).

Subject(s) have a right to be informed of the outcome of the investigation.

Decision

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

Reporting

The Ombudsperson shall submit a report to the Chairman of 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.

Disqualifications

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.

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.

Protection to the Whistle Blower

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 Blower's right to continue to perform his 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.

A Whistle Blower 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.

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

Secrecy/Confidentiality

The Whistle Blower, the Subject, the Ombudsperson and everyone involved in the process shall

- maintain complete confidentiality/ secrecy of the matter;
- not discuss the matter in any informal/social gatherings/ meetings;
- not keep the papers unattended anywhere at any time;
- keep the electronic mails/files under password;
- If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

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.

Amendment

This Policy may be amended from time to time by the Board on the recommendation of the Audit Committee.