

Karvy Financial Services Limited

Whistle Blower Policy

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1. Preface

- This whistle blowing policy provides a procedure which enables employees to raise concerns about what is happening at work, particularly where those concerns relate to unlawful conduct, financial malpractice, dangers to the public or the environment and/or activities otherwise amount to serious improper conduct. The object of this policy is to ensure that concerns are raised and dealt with at an early stage and in an appropriate manner.
- Karvy Financial Services Limited (“Karvy Finance” or “KFSL” or “the company”) is committed to the highest standards of ethics & integrity. It encourages an open culture in all its dealings between staff, managers, customers and all people with whom it comes into contact. The Senior Management is committed to maintenance of higher standards of honesty and integrity, and for promoting and maintaining a corporate culture that adheres to these values. In pursuance of this philosophy, the KFSL has put in place the Whistle Blower Policy and is committed to its whistle blowing policy. If an employee raises a genuine concern under this policy, he or she will not be at risk of losing their job, nor will they suffer any form of detriment as a result. As long as the employee is acting in good faith and in accordance with this policy, it does not matter if they are mistaken. The whistle blowing policy is primarily concerned with where the interests of others or of this organization itself are at risk.

2. Applicability

This Policy as amended from time to time, applies to all employees and directors of the Company including those who are on probation from immediate effect.

3. Scope

The Policy is intended to help employees who have major concerns over any wrongdoing within the organization to report unlawful conduct, misconduct, malpractices, violation of any legal or regulatory provisions, financial mismanagement, accounting irregularities, etc. It is impossible to give an exhaustive list of the activities that constitute such misconduct/ malpractice/ violations but, broadly speaking we would expect the following acts to be reported:

- a) Criminal offence (e.g. fraud, corruption or theft) committed/ likely to be committed;
- b) Instance of corporate fraud;
- c) Unethical business conduct;
- d) Serious irregularities;
- e) Malpractice;
- f) Failure to comply with legal/ regulatory obligations;
- g) ‘Know Your Customer’ (KYC)/ ‘Anti Money Laundering’ (AML) related issues. Funds used in an unauthorized manner;
- h) Sexual or physical abuse of a member of staff, service recipient or service provider;
- i) Discrimination against a member of staff, service recipient or service provider on grounds of sex, caste, religion or disability;

- j) Any other form of improper action or conduct;
- k) Information relating to any of the above deliberately concealed or attempts being made to conceal the same.

4. Whistle Blower's Role

- 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.
- 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 designated authority.
- Disclosures made under this Policy will be appropriately dealt with by the Company and these will be reported to the CEO of the company.

5. Whistle Blower's Protection

- a. **Harassment or Victimization:** If one raises a concern under this Policy, s/he will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. An employee will not be at the risk of losing her/ his job or suffer loss in any other manner like 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, as a result of reporting under this Policy. The protection is available provided that:
 - a) The communication/ disclosure is made in good faith;
 - b) S/he reasonably believes that information, and any allegations contained in it, are substantially true; and
 - c) S/he is not acting for personal gain.

KFSL will not tolerate the harassment or victimization of any employee raising a genuine concern.

- b. **Confidentiality:** KFSL recognizes that an informant (employee) may nonetheless want to raise a concern in confidence under this Policy. We will not disclose the identity, without her/ his consent. If the situation arises where we are not able to resolve the concern without revealing the identity (for instance because her/ his evidence is needed in court), we will discuss with her/ him about the manner in which we propose to proceed, and within the confines of statutory requirements endeavor to meet her/ his preferences on revealing the identity.
- c. **Anonymous Allegations:** If an informant does not tell us who s/he is, it will be much more difficult for us to look into the matter or to protect her/ his position or to give a feedback to her/ him. Accordingly, while we will consider anonymous reports, at our discretion, this Policy is not well suited to concerns raised anonymously. Concerns expressed anonymously will be explored appropriately, but consideration will be given to:

- The seriousness of the issue highlighted
- The credibility of the concern
- The likelihood of confirming the allegation from attributable sources

- d. **Bad Faith Allegations:** All concerns must be raised in good faith. Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable disciplinary and/or legal actions may also be taken against such individuals. No action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.
- e. **Supports:** Help will be provided to an informant in order to minimize any difficulties, which s/he may experience. This may include advice on giving evidence if needed. Meetings may, if necessary be arranged off-site with her/ him, and with s/he being represented, if s/he so wishes in our system.

6. Procedure for Reporting

- i. **Reporting:** Principal Officer of KFSL is the Designated Authority to receive all reports/ complaints made under this Policy. The whistle blowing procedure is intended to be used for serious and sensitive issues. A communication reporting any such event/ information of concern may be reported directly to :

Principal Officer

Karvy Financial Services Limited,
705 and 706, 7th Floor, Hallmark
Plaza, Sant Dnyaneshwar Marg,
Opp Gurbanak Hospital, Bandra
(East), Mumbai- 400051

OR

Mail can be marked to compliance.kfsl@karvy.com

OR

The hotline number as updated on the website of the company

- ii. The whistle blowing telephone hotline service is strictly confidential and callers will not be asked to give their name if they do not want to.
- iii. One should furnish a brief Note covering the pertinent details about the matter that one wishes to report. This Note may, inter alia, cover the following aspects to the extent possible:

- What wrongdoing is being reported?
 - When it occurred?
 - Specific location where the wrongdoing occurred.
 - How the individual committed the alleged wrongdoing?
 - Why the informant believes the activity to be improper?
 - What documentation exists to corroborate the allegations?
 - Other witnesses (if any) to the alleged wrongdoing.
- iv.** One may **not** mention in this Note one's name or any other particulars that may identify her/him.
- v.** Copies of documents that may help in establishing the veracity of the Report may preferably be attached to the Note. However, care may be taken that these papers do **not** contain the name or any other particulars indicating the informant's identity.
- vi.** If one has any personal interest in the matter, it **must** be disclosed at the outset in the forwarding letter/ email message.
- vii.** The aforesaid Note should be sent along with a forwarding letter/ email message containing the identity and contact particulars, preferably including a mobile or landline phone number of the person filing the Report. The envelope containing the Report (when made in paper form) should be marked "Confidential – Compliance".
- viii.** Timing: The earlier a concern is expressed, the easier it is to take action.
- ix.** Evidence: Although the employee is not expected to prove the truth of an allegation, the employee should be able to demonstrate to the person contacted that the report is being made in good faith.
- x.** *Any change in the individual functioning as Designated Authority will be updated in this Policy as and when it occurs.*

7. Process of Handling Reports

- i. The Designated Authority will open all the emails or postal/ courier mails pertaining to the matters reported under this Policy. S/he shall maintain a Corporate Register containing brief particulars of the Reports received under this Policy. S/he shall assign a Unique Reference Number (URN) to each Report. All communications pertaining to a Report will bear the URN.
- ii. The action taken by KFSL in response to a report of concern under this policy will depend on the nature of the concern.

- **Initial Inquiries:** Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved without the need for investigation.
 - **Further Information:** The amount of contact between the complainant and the person or persons investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from or provided to the person reporting the concern.
- iii. However, as soon as possible, but preferably within four weeks of receipt of a Report, the Designated Authority will write to the informant:
- acknowledging that the concern has been received
 - indicating how KFSL proposes to deal with the matter
 - giving an estimate of how long it will take to provide a full response
 - saying whether any initial enquiries have been made
 - supplying information on support available to the informant; and
 - saying whether further investigations will take place and if not, why not.
- iv. A quarterly review will be put up to the Audit Committee on the Reports received by KFSL under this Policy.

8. Corrective Action and Compliance

- i. As part of the investigation into disclosures made under this policy, recommendations for change will be invited from the investigator to enable KFSL to minimize the risk of the recurrence of any malpractice or impropriety which has been uncovered.
- ii. The Principal Officer of the company would be responsible for reviewing and implementing these recommendations in the future and for reporting on any changes required to the Senior Management.

9. Retention of Documents

All Reports received in writing or documented, along with the results of investigation relating thereto, shall be retained by KFSL for a minimum period of **seven years**.

10. Publication

The policy would be hosted on KFSL's website and a paper copy of this will be made available to any person on demand.

11. Amendment

KFSL reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.