



**KHAZANCHI**  
**JEWELLERS**

## **WHISTLE BLOWER POLICY**

*(Framed on 01<sup>st</sup> April, 2023)*

## PREFACE

- a. Khazanchi Jewellers Limited 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 behavior. The organization is committed to comply with the laws and regulations to which it is subject. For this, it has put in place systems, policies and processes to interpret and apply these laws and regulations in the organizational environment. These would help to strengthen and promote ethical practices and ethical treatment of all those who work in and with the organization.
- b. LODR regulations inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called ‘Whistle Blower Policy’ for employees and Directors to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company’s code of conduct or ethics policy.
- c. Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees and Directors of the Company to approach the Chairman of the Audit Committee of the Company. This policy would also help to create an environment where individuals feel free and secure to raise the alarm where they see a problem. It will also ensure that whistleblowers are protected from retribution, whether within or outside the organization.

## DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

- a. “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Listing Agreement with the Stock Exchanges.
- b. “**Employee**” means every employee of the Company including Directors in employment of the Company.
- c. “**Code**” means the Khazanchi Jewellers Limited Code of Conduct.

- d. “**Investigators**” means that person authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of the Company and the police.
- e. “**Protected Disclosure**” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- f. “**Subject**” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- g. “**Whistle Blower**” means an individual employee, channel partner, business associate or a customer of the organization, who makes a Protected Disclosure, keeping the organization’s interests in mind.

### **SCOPE**

- a. This Policy is an extension of the Khazanchi Jewellers Limited 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 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 Chairman of the Audit Committee or the Investigators their role is simply to “**Raise the Alarm**”.
- c. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.

### **ELIGIBILITY**

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

## INDICATIONS TO RAISE AN ALARM

A matter can be considered serious enough for an alarm to be raised if it satisfies any of the following conditions:

- a) Serious violation of any organization-level policy, indicating that certain internal control points are weak
- b) Matter is likely to receive media or public attention
- c) Exposes the organization to a significant monetary or non-monetary liability
- d) Points towards any event which is the result of criminal action e.g. Disappearance of cash/ funds
- e) Indicates any incident/ possible incident of sexual harassment at the workplace
- f) Indicates a significant threat to the health/safety of employees/community
- g) Any other violation/possible violation of the IPRL Code of Conduct

### Exceptions:

Any matter which is an individual employee grievance relating to the terms and conditions of employment are to be reported to the relevant HR personnel. An ethical violation where the impact is not at the organization level are to be reported to the Locational Hierarchy.

## DISQUALIFICATIONS

- a) 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.
- b) 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**.
- c) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 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.

- d) Actions against such violations could range in their severity, if necessary even extending upto termination of one's employment/ contract/ association with the organization.

## **PROCEDURE**

- a. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- b. In respect of all other Protected Disclosures, those concerning the employees at the levels of General Manager and above should be addressed to the Chairman of the Audit Committee of the Company.
- c. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Company's the Chairman of the Audit Committee for further appropriate action.
- d. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- e. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi.
- f. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- g. 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.
- h. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

## **INVESTIGATION**

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company.
- b. The Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Chairman of 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 not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws. .
- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of

wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

## **PROTECTION**

a) The Audit Committee is responsible to ensure that the identity of the Whistle Blower is kept strictly confidential. However, in situations where the information provided may lead to uncovering some major issues, which are legal/ criminal in nature the informer's identity may have to be produced before the Police Authorities or in a Court of Law. In such cases, the above is responsible for ensuring that the identity of the whistleblower/s are produced only to the relevant authorities and to no-one else.

b) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported 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.

C) 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.

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

## **INVESTIGATORS**

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee, as the case may be, which establishes that:
  - i. the alleged act constitutes an improper or unethical activity or conduct, and
  - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

## **DECISION**

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



## **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**

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 Employees unless the same is notified to the Employees in writing.