

## ASSETS CARE & RECONSTRUCTION ENTERPRISE LTD. (ACRE)

### VIGIL MECHANISM POLICY

#### Preamble

ACRE is a professionally managed company engaged in the business of Asset Reconstruction under the SARFAESI Act.

To ensure compliance with its Vision and Mission of following the highest standards of business ethics, transparent policies and procedures based on the highest levels of Corporate Governance, ACRE is keen to establish a Vigil Mechanism which will *inter-alia*, protect "whistle-blowers" and encourage stakeholders to report any potential or actual violation of business ethics, including company policies, code of conduct, actual or suspected fraud, hereinafter referred to as "alleged breach".

#### Scope:

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place/suspected to have taken place involving, inter alia:

- a) Breach of business integrity and ethics
- b) Violation of any law or regulations, policies including but not limited to corruption, bribery, theft, fraud, coercion and willful omission
- c) Gross or willful negligence causing substantial and specific danger to health, safety and environment
- d) Manipulation of the Company's data/records
- e) Pilferage of confidential/propriety information
- f) Gross wastage/misappropriation of Company funds/assets

The above list is merely illustrative and should not be considered exhaustive. The Company reserves the right to update it from time to time in any manner it deems fit.

#### Eligibility

All employees including the directors of the Company are eligible to make complaints under the policy in relation to the matter concerning the Company.

#### Mechanism

The first report or disclosure of an alleged breach ("complaint") will be made in writing to the Nodal Officer. To access the details of Nodal officer, the Complainant can visit Company's website at [www.acreindia.in](http://www.acreindia.in). Further, the Complaint shall be made in good faith, wherein complainant shall have a strong reason to believe that the

complaint is materially correct and not made with malicious intent. The Complainant shall also substantiate his/her complaint with documentary evidence. .

The Nodal Officer, at his discretion, may decide to investigate anonymous complaints, if the charges are serious and the material available on record is sufficient to warrant a prima-facie inference that the allegations are maintainable and further investigation is justified.

The whistleblower will not conduct any investigation; this is the responsibility of the Nodal Officer and his representatives, including the concerned Management personnel.

### **Authority of Nodal Officer**

The Nodal Officer will be responsible for and will oversee all investigations of complaints; he may take the help of any person including ACRE's employees or outside investigators, with the approval of the Audit Committee.

For the purpose of the Vigil Mechanism, Nodal Officer shall be the Chief Risk Officer of the Company. For Complaints against Chief Risk Officer/Whole Time Director/ Managing Director/ CEO, nodal officer shall be the Chairman of the Audit Committee or any member thereof as may be specified in writing by the Chairman of the Audit Committee.

If the initial inquiry on the complaint by the Nodal Officer has no basis or is not a matter to be pursued under this policy, it may be dismissed at this stage, and the decision is documented and reported to Audit Committee.

If the initial inquiry indicates that further investigation is necessary, the Nodal Officer or any official of the company nominated by the Nodal Officer would carry out the investigation with a report to the Nodal Officer. The said report shall also be placed before the Audit Committee.

In cases involving criminal acts such as rape, the Nodal Officer will immediately report the matter to the concerned law-enforcement authorities.

In all matters, the Nodal Officer will act promptly and complete the investigations speedily; he will keep the Audit Committee apprised of all complaints received under Vigil Mechanism and also about the progress depending on the seriousness of the alleged offence.

The Complainant shall be informed about the outcome of the investigation carried out by the Nodal Officer. In case the Complainant is not satisfied with outcome of the investigation carried out by the Nodal Officer, he may escalate the matter to the Chairman of the Audit Committee

### **Whistleblower protection**

Any employee or Director who makes a "complaint" will be considered as a 'whistleblower' and will be entitled to protection against any unfair treatment / harassment including threatened or actual disciplinary action by ACRE, merely by reason of making such complaint. Such protection will also be available to any person who gives evidence or assists in the investigation (witness).

The identity of the whistleblower / witnesses will be kept confidential and disclosed only if required under law or where the investigation cannot proceed without such disclosure; ACRE will assist the whistleblower / witnesses in any proceedings including court matters, concerning the investigation of the complaint.

### **False / mala-fide complaints**

Any person, who files a complaint knowing it to be false, will be liable to disciplinary action including dismissal. ACRE may also institute criminal action in such cases to act as a deterrent and send a clear message that the company will not tolerate such acts.