

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”.

Mechanism

All stakeholders of the Company including Directors will be covered; the first report or disclosure of an alleged breach (“complaint”) will be made in writing to the Nodal Officer and will be made in good faith, i.e. the complainant has strong reason to believe that the complaint is materially correct and is not mala-fide.

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.

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.

The Nodal Officer will be any one of

1. The Internal Auditor including a Partner thereof
2. any Director on the Company's Board
3. any other Person,

who may be designated by ACRE's Audit Committee as the "Nodal Officer" under this Mechanism.

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 the progress on a weekly or daily basis depending on the seriousness of the alleged offence.

Whistleblower protection

Any stakeholder, whether employee or otherwise 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 other stakeholder 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.