

PATEL RETAIL LIMITED

(FORMERLY KNOWN AS PATEL RETAIL PRIVATE LIMITED)

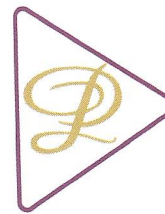
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PATEL RETAIL LIMITED

TRUST & TOGETHERNESS

VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. PREFACE

1.1 Patel Retail Limited (“**Company**”) believes in promoting a fair, transparent, ethical, professional and conducive environment within the Company and in its relationship with its employees, customers and third parties.

1.2 Section 177(9) of the Companies Act, 2013 (“**Act**”) read with regulations 4(2)(d)(iv), 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) mandates formulation of a vigil mechanism / whistle blower policy by a listed entity, for its directors and employees to report genuine concerns.

1.3 In light of the aforesaid, the Company has formulated this Vigil Mechanism / Whistle Blower Policy (“**Policy**”) for its directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct.

2. DEFINITIONS

- (i) “**Audit Committee**” means the committee formed by the Board of Directors of the Company, in accordance with section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.
- (ii) “**Disciplinary Action**” means any action that can be taken upon completion of, or during the course of investigation including but not limited to a warning, imposition of fine, suspension from official duties or any such action as may be deemed to be fit by the Company or Audit Committee, considering the gravity of the matter.
- (iii) “**Ethics Officer**” means an officer of the Company, nominated by the Company to receive the Protected Disclosure from Whistle Blowers, and to conduct detailed investigation under this Policy, maintain record thereof, placing the same before the Audit Committee for its disposal and informing the Whistle blower the results thereof.
- (iv) “**Protected Disclosure**” means a concern raised by a Whistle Blower (as defined) through defined channels of reporting in good faith that discloses or demonstrates information about an unethical or improper activity / conduct. It should be factual in nature and not speculative.

- (v) **“Sexual Harassment Committee”** means a committee constituted to receive and resolve complaints related to sexual harassment of employees in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (vi) **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- (vii) **“Vigil Mechanism”** means a mechanism providing for adequate safeguards against victimization of directors or employees or any other person who report genuine concerns as regards the Company.
- (viii) **“Whistle Blower”** means an employee, director or group of employees/ directors of the Company who makes a Protected Disclosure (as defined) under this Policy.

3. APPLICABILITY OF THE POLICY

All the directors and employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

4. SCOPE OF THE POLICY

4.1 The issues which are covered under the scope of this Policy are as follows:

- (i) Misappropriation of company assets or resources;
- (ii) Conflict of interest;
- (iii) Mishandling of confidential information/ proprietary information (actual or suspected instances of leak of unpublished price sensitive information pertaining to the Company);
- (iv) Procurement fraud / actual or suspected incidents of fraud;
- (v) Acceptance of gifts and entertainment;
- (vi) Incorrect financial reporting/ actions affecting the financial integrity of the Company;
- (vii) Bribery corruption and money laundering;
- (viii) Insider trading;
- (ix) Tax fraud;
- (x) Harassment of any nature;
- (xi) Victimization or bullying;
- (xii) Discrimination;
- (xiii) Misuse or abuse of authority;
- (xiv) Violation of environment, health and safety guidelines;
- (xv) Concurrent employment;
- (xvi) Illegal or unethical conduct including that which adversely affects investors, shareholders, suppliers, customers, or the business performance / reputation of the Company;
- (xvii) Such other matter as may be decided by the Audit Committee.

4.2 Following types of complaints / issues shall not be considered in the scope of this Policy, until and unless such matter is specifically covered in any of the circumstances aforesaid:

- (i) Issue raised, relates to personal grievances or employment, such as-

- (a) Superior- Subordinate Relationship;
 - (b) Relationship with Peers
 - (c) Performance Evaluations and appraisal etc., which are to be reported to the Human Resource department or the head of respective department.
- (ii) Complaints regarding Sexual Harassment of the employees;
- (iii) Operational or transactional issues raised by the customers, vendors and suppliers.

Please refer to “Annexure A” for indicative examples for issues covered under the scope of this Policy.

5. DISQUALIFICATIONS

Cases reported under this Policy shall be disqualified under the following circumstances:

- (i) Protected Disclosure about issue(s) which is not covered under the scope of the Policy;
- (ii) Anonymous complaints;
- (iii) Anonymous complaint regarding sexual harassment of the employees;
- (iv) Protected Disclosure which does not include following information:
 - (a) Name, designation, department of the alleged;
 - (b) Location of the incident;
 - (c) Incident in brief;
 - (d) Evidence in support of the allegation.

6. PROCEDURE FOR REPORTING A PROTECTED DISCLOSURE

6.1 All Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible, but no later than thirty (30) days after the Whistle Blower becomes aware of the same and should be typed or written in legible handwriting either in English or Hindi.

6.2 The Protected Disclosure could be submitted in **either** of the following manner:

- (i) through a closed and secure envelope bearing the title- *Protected Disclosure under the Vigil Mechanism / Whistle Blower Policy*;
- (ii) through email with the subject *Protected Disclosure under the Vigil Mechanism / Whistle Blower Policy*.

If the complaint is not super-scribed and closed as mentioned above, the Protected Disclosure will be dealt with as a normal disclosure.

6.3 Anonymous/ Pseudonymous disclosure shall not be entertained by the Ethics Officer.

6.4 The Protected Disclosure should be forwarded under a covering letter signed by the complainant / Whistle Blower i.e., the Protected Disclosure and its covering letter should be separate to ensure that the identity of the complainant/ Whistle Blower remains secure and confidential.

6.5 Any Protected Disclosure against any employee and/or director of the Company shall be addressed to the Ethics Officer of the Company or the Chairperson of the Audit Committee (in exceptional cases). Protected Disclosure against the Ethics Officer of the

Company should be addressed to the Chairperson of the Audit Committee. Any Protected Disclosure against the Chairperson of the Audit Committee should be addressed to the Ethics Officer of the Company.

Name of the Ethics Officer	Manish Rambabu Agarwal
Name of the Chairperson of the Audit Committee	Mr. Yashwant Suresh Bhojwani

- 6.6 On receipt of the Protected Disclosure, the Ethics Officer / Chairperson of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- 6.7 On receipt of Protected Disclosure, the Ethics Officer / Chairperson of the Audit Committee (as the case maybe), shall make a record of the Protected Disclosure and also ascertain from the Whistle Blower whether he/ she was the person who made the Protected Disclosure or not. The record shall include:
- (i) Brief facts;
 - (ii) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - (iii) Whether the same Protected Disclosure was raised previously on the same subject;
 - (iv) Details of actions taken by the Ethics Officer / Chairperson of the Audit Committee for processing the said complaint.

7. INVESTIGATION

- 7.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Officer of the Company. Chairman of Audit Committee /Ethics Officer may at its discretion consider involving any other officer of the Company and/or an outside agency for the purpose of investigation.
- 7.2 The decision to conduct an investigation by itself is not an acceptance of the accusation and is to be treated as a neutral fact-finding process.
- 7.3 The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of the investigation.
- 7.4 Unless there are compelling reasons not to do so, Subjects will be given a reasonable opportunity for hearing their side during the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.5 Subjects shall have a duty to co-operate with the Ethics Officer / Audit Committee during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- 7.6 Subjects shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.

- 7.7 Subjects shall 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.
- 7.8 Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subjects shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- 7.9 Ethics Officer shall normally complete the investigation within ninety (90) days of the receipt of Protected Disclosure.
- 7.10 In case of allegations against subject are substantiated by the Ethics Officer in his report, the Audit Committee shall give an opportunity to Subject to explain his side.

8. DECISION

If an investigation leads the Ethics Officer / Chairman of the Board of Directors to conclude that an improper or unethical act has been committed, the Ethics Officer shall recommend to the management of the Company to take such Disciplinary Action or corrective action as he may deem fit. It is clarified that any Disciplinary Action 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 policy for staff conduct and disciplinary procedures.

9. REPORTING

The Ethics Officer shall submit a report to the Chairperson of the Board of Directors on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

10. CONFIDENTIALITY

The Whistle Blower, the Ethics Officer, Board of Directors, the Subject and everybody involved in the process shall:

- (i) Maintain confidentiality of all matters under this Policy
- (ii) Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- (iii) Not keep the papers unattended anywhere at any time.
- (iv) Keep the electronic mails / files under password / safe from unauthorised access.

11. PROTECTION

- 11.1 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. Adequate safeguards will be provided 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.

- 11.2 Whistle Blower may report any violation of the above clause to the Chairperson of the Board of Directors, who shall investigate into the same and recommend suitable action to the management.
- 11.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- 11.4 Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 11.5 The complainant before making a complaint should have a reasonable belief that an issue exists and he should act in good faith. Any complaint not made in good faith as assessed as such by the Ethics Officer/ Audit Committee shall be viewed seriously and the complainant shall be subject to Disciplinary Action as per certified standing orders of the Company. This Policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this Policy.

12. RECORD KEEPING

All Protected Disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of four (4) years or such other period as specified by any other law in force, whichever is more.

13. NOTIFICATION

This Policy once approved by the Board of Directors and Audit Committee, shall reflect on the Company's website.

14. 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. In any case, any amendment/ modification of the applicable laws in this regard will automatically apply to this Policy.

ANNEXURE A: INDICATIVE EXAMPLES FOR ISSUES COVERED IN VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. Misappropriation of Company Assets and Resources

Indicative examples

- Use of Company property or information for personal gain or advantage, or for the advantage of others outside the Company, such as friends or family members.
- The office printer, company letter heads and other stationary used by an employee for his personal purposes.
- Use of company provided car for personal travel.

2. Conflict of interest

Indicative examples

- Besides being a full time employee of Company, he / she is working for any other Company or hold a position in that or any other Company (e.g. as a consultant or director) or you are providing freelance services to anyone.
- A member of household or immediate family of the employee, is a supplier or customer of the Company and this is not disclosed within the Company.
- Your co-worker happens to be a close relative of a Human Resource Personnel and enjoys pay raises, promotions and other prerequisite benefits that other employees in his same position does not receive.

3. Mishandling of confidential information/ proprietary information (actual or suspected instances of leak of unpublished price sensitive information pertaining to the Company)

Indicative examples

- An employee sharing confidential information related to a tender with a competitor for his personal gain;
- Uploading confidential information of the Company to a social networking site.

4. Procurement fraud/ actual or suspected incidents of fraud

Indicative examples

- A manager in procurement team awards the contract to a vendor in return of monetary benefits;

- An employee in the procurement team accepting kickbacks from the vendors;
- A vendor offers bribe to an employee to accept his quotation at higher price.

5. Acceptance of gifts and entertainment

Indicative examples

- At Diwali, a consultant sends to the employee of the Company an expensive watch to thank him / her for the good working relationship;
- A supplier offers the employee a free trip to a holiday resort to thank him / her for the business received from the Company.

6. Incorrect financial reporting / action affecting the financial integrity of the Company

Indicative examples

- In order to be in line with the budget, you prepay future costs and charge it to the current accounting period. Alternately, you defer recognizing an expense and push it forward to the next reporting period so as not to exceed the budget;
- An accountant, in order to show a high profit for the financial year, misrepresents company books and records.

7. Bribery, Corruption and money laundering

Indicative examples

- An employee accepting commission from a vendor or supplier based on number of orders or tenders given to the vendor;
- Any form of financial consideration to government officials for sourcing of business, facilitation or to gain unfair advantage in business.

8. Insider Trading

Indicative examples

- A manager advises a friend to pull his / her investment from the Company as he / she is aware of the financial situation;
- An executive assistant of a CFO, shares the details of the financial results with his / her husband and warns him / her to sell the shares which he / she owns.

9. Tax Fraud

Indicative examples

- An inflated depreciation shown in the books of accounts in order to show a dip in profit in order to save tax;
- An employee submits fake documents in order to get tax benefits.

10. Victimization or bullying

Indicative examples

- Your co-worker mistreats you because of your mother tongue influence, that goes beyond occasional or a single incident;
- Humiliating an employee for his poor performance in front of the team members instead of giving him a constructive feedback.

11. Discrimination

Indicative examples

- The Project Manager refuses work allocation to aged employees because according to him they are not capable enough to learn new skills;
- Employees belonging to a particular location receives preferential treatment.

12. Misuse of authority

Indicative examples

- A personnel in higher authority pressurizes and threatens his / her colleagues to present a misleading report to the senior management.

13. Violation of environment, health and safety guidelines

Indicative examples

- Permanent or contractual employees not adhering to the safety guidelines;
- Non adherence to environment guidelines issued by the government.

14. Concurrent employment

Indicative examples-

- An employee providing part time services to other company and does not make a disclosure of the same to the Company;
- An employee runs his/ her own business along with employment with the Company.
