

# VIGILANCE POLICY

## INTRODUCTION

The objective of this Vigilance Policy is to establish a robust framework to prevent, detect, and address any form of unethical conduct, fraud, malpractice, or improper activities within Chhotaria Securities Pvt. Ltd. (hereinafter referred to as "the Company"). This Policy aims to safeguard the interests of the Company, its employees, directors, and stakeholders by ensuring that concerns are investigated in a fair, timely, and transparent manner.

This Policy also seeks to encourage employees, directors, and stakeholders to report genuine concerns relating to unethical behavior, violation of laws, regulatory non-compliance, or breach of internal policies, without fear of retaliation or discrimination. At the same time, the Policy discourages frivolous, malicious, or baseless complaints.

The Audit Committee of the Company shall supervise and oversee the vigil mechanism. In cases where any member of the Committee has a conflict of interest, such member shall abstain from participating in the proceedings, and the remaining members shall handle the matter independently.

This Vigilance Policy is framed in accordance with Section 177(9) and Section 177(10) of the Companies Act, 2013 and the rules made thereunder

This Policy further defines the mechanism available for reporting concerns and outlines the roles, responsibilities, and authority of designated officials responsible for receiving, examining, and acting upon such disclosures. Accordingly, this Policy provides clarity on:

1. The process for reporting suspected unethical, illegal, or improper practices within the Company;
2. The safeguards and protection available to individuals raising concerns in good faith;
3. The procedure for investigation, action, and reporting of such concerns to appropriate authorities within the Company; and
4. The powers of the designated authority to review disclosures and initiate corrective or disciplinary measures where required.

## PREFACE

1. Chhotaria Securities Pvt. Ltd. is committed to conducting its business and operations in a fair, ethical, and transparent manner. The Company believes that strong governance, integrity, and accountability are fundamental to building trust with customers, regulators, employees, and all other stakeholders. This Vigilance Policy reflects the Company's resolve to uphold the highest standards of professionalism, honesty, and ethical conduct in all its activities.

Chhotaria Securities Pvt. Ltd  
Neelam  
Director

2. The Company strives to create an environment where employees, directors, and stakeholders feel confident and secure in raising concerns about any suspected wrongdoing, misconduct, unethical behavior, bribery, corruption, or violation of laws and internal policies. The intent of this Policy is to encourage responsible reporting and ensure that such concerns are addressed promptly, objectively, and without bias.
3. The Audit Committee and the Board of Directors of the Company have approved and implemented this Policy to provide a structured and secure framework for whistleblowing. This framework enables employees, directors, and other stakeholders to report serious irregularities or concerns without fear of retaliation, victimization, or unfair treatment, provided the disclosure is made in good faith.
4. This Policy, however, does not dilute the responsibility of employees to maintain confidentiality in the normal course of their duties. Further, it is not intended to be used as a substitute for the Company's grievance redressal mechanisms or as a channel for raising personal complaints or disputes unrelated to vigilance or ethical concerns.
5. The Vigilance Policy shall be made available on the Company's website and shared with key stakeholders as appropriate.

## APPLICABILITY OF POLICY

This Vigilance Policy shall apply to the following persons associated with **Chhotaria Securities Pvt. Ltd.**

1. **All Directors** of the Company.
2. **All Employees** of the Company, whether permanent, temporary, contractual, or on any other employment arrangement.
3. **All other Stakeholders** of the Company, including but not limited to consultants, vendors, service providers, and any person dealing with the Company in the course of its business.

This Policy and its objectives shall be communicated to the above persons at the time of commencement of their association with the Company and shall remain applicable throughout the period of such association.

## DEFINITIONS

For the purpose of this Vigilance Policy, unless the context otherwise requires, the following terms shall have the meanings assigned to them below:

1. **Act** means the Companies Act, 2013 read with the relevant rules, circulars, and amendments issued thereunder from time to time.
2. **Board** means the Board of Directors of **Chhotaria Securities Pvt. Ltd.**
3. **Audit Committee** - means the Audit Committee constituted by the Board of the Company in accordance with Section 177 of the Companies Act, 2013, consisting of such number of directors, including independent directors, as may be required under applicable law
4. **Disciplinary Action** means any action that may be initiated or imposed during or after the completion of an investigation, including but not limited to warning, monetary

penalty, suspension, termination of services, or any other action considered appropriate based on the seriousness of the matter.

- 5. **Director(s)** means all directors of the Company, whether executive, non-executive, or independent.
- 6. **Employee** means any person employed by the Company, whether on a permanent, temporary, contractual, or probationary basis, and whether working in India or outside India.
- 7. **Ethics Team** means a team constituted by the Company, headed by the Head – Human Resources and co-headed by a legal representative of the Company alongwith at least one representative from the HR function, responsible for conducting investigations and acting as the relevant authority under this Policy.
- 8. **Fraud** in relation to the affairs of the Company includes any act, omission, misrepresentation, concealment of facts, or abuse of position by any person, committed with intent to deceive, gain undue advantage, or cause loss or injury to the Company, its stakeholders, creditors, or any other person, whether or not there is any wrongful gain or loss.
- 9. **Investigation Subject** means any person or group of persons against whom a Protected Disclosure has been made or in respect of whom evidence is collected during the course of an investigation.
- 10. **Protected Disclosure** means a written communication made in good faith by a Whistle Blower, disclosing information that indicates or tends to indicate unethical conduct, improper activity, violation of law, or fraud within the Company.
- 11. **Whistle Blower** means any person who makes a Protected Disclosure under this Policy, including an employee, director, or stakeholder of the Company.
- 12. **Vigil Mechanism** means the mechanism established by the Company for directors and employees to report genuine concerns as mandated under Section 177(9) of the Companies Act, 2013

## THE GUIDING PRINCIPLES

In order to ensure effective implementation of this Vigilance Policy and to assure that all concerns raised are taken seriously, **Chhotaria Securities Pvt. Ltd.** shall adhere to the following guiding principles:

- 1. The Company shall ensure that the Whistle Blower and any person involved in handling a Protected Disclosure is not subjected to victimization, retaliation, or any form of unfair treatment for reporting a concern in good faith.
- 2. Any act of victimization or retaliation against a Whistle Blower shall be treated as a serious misconduct and may result in appropriate disciplinary action against the concerned individual(s).
- 3. The Company shall maintain strict confidentiality of the identity of the Whistle Blower and shall provide reasonable protection, to the extent possible, in accordance with this Policy.
- 4. The Company shall not attempt to suppress, conceal, or destroy any evidence related to a Protected Disclosure.
- 5. Any individual found to have deliberately destroyed, altered, or concealed evidence related to a Protected Disclosure shall be liable for disciplinary action.

6. The Company shall ensure that all persons involved in the matter, including the Investigation Subject, are given a fair opportunity to present their case in accordance with the principles of natural justice.

## **COVERAGE OF POLICY**

This Vigilance Policy covers actual or suspected malpractices and events that have occurred or are reasonably suspected to have occurred within **Chhotaria Securities Pvt. Ltd.**, including the following:

1. **Misuse of authority or position** for personal or third-party benefit.
2. **Intentional breach of contractual obligations** with customers, vendors, lenders, or any third party.
3. **Negligence or omission** resulting in material risk to public interest, health, or safety.
4. **Manipulation, falsification, or unauthorized alteration** of Company data, records, or documents.
5. **Fraudulent actions** affecting customers or any stakeholder of the Company.
6. **Financial irregularities**, including fraud, suspected fraud, or misappropriation of funds.
7. **Commission of criminal offences** under applicable laws and regulations.
8. **Unauthorized disclosure or misuse of confidential or proprietary information** belonging to the Company or its stakeholders.
9. **Deliberate non-compliance** with applicable laws, rules, regulations, or regulatory directions.
10. **Violation of statutory or regulatory requirements** exposing the Company to penalties, fines, or adverse action by authorities.
11. **Wastage, theft, or misappropriation of Company assets or resources**.
12. **Breach of the Company's code of conduct, internal policies, or ethical standards**.
13. **Any other unethical, biased, imprudent, or improper conduct** that does not align with acceptable standards of social and professional behavior expected from a financial services entity regulated by the Reserve Bank of India.
14. The Ethics Team shall ensure that this Policy is not misused as a substitute for the Company's grievance redressal mechanism or as a channel for raising personal grievances, malicious complaints, or unfounded allegations against colleagues or other associated persons.

## **DISQUALIFICATIONS**

The following provisions shall apply with respect to misuse or abuse of the Vigilance Policy of **Chhotaria Securities Pvt. Ltd.**:

1. While the Company shall ensure full protection to genuine Whistle Blowers acting in good faith, any misuse of such protection or abuse of the vigilance mechanism shall attract appropriate disciplinary action.
2. Protection under this Policy shall not extend to Whistle Blowers who make disclosures that are knowingly false, misleading, fabricated, or made with malicious intent, mala fide purpose, or for settling personal grievances.
3. Any Whistle Blower who raises frivolous, vexatious, or malicious complaints, which are made with an ulterior motive, shall be liable for action under the Company's Code of Conduct and applicable disciplinary procedures.
4. Action shall be taken only where complaints are proven to be knowingly false or malicious, and not merely because they are unsubstantiated.

## **MANNER IN WHICH CONCERN CAN BE RAISED**

The Ethics Team of **Chhotaria Securities Pvt. Ltd.** shall ensure that appropriate systems and procedures are established for effective implementation of this Vigilance Policy. The following process shall be followed:

1. The Company shall put in place suitable procedures to facilitate the operation of this Policy, including conducting induction and awareness programs for new employees and periodic communication for existing employees.
2. Adequate awareness shall be created across all levels of the organization to ensure that employees, directors, and stakeholders are familiar with the provisions of this Policy and the process for raising concerns.
3. Any Whistle Blower may submit a Protected Disclosure in writing by sending an email to the designated whistleblowing email ID notified by the Company from time to time for this purpose.
4. Employees, directors, and stakeholders are encouraged to promptly report any actual or suspected instances of fraud, embezzlement, illegal activities, unethical conduct, or violation of Company policies upon becoming aware of the same.
5. Where preliminary review indicates that the concern raised is without merit, does not warrant investigation, or falls outside the scope of this Policy, the complaint may be closed at this stage. The reasons for such closure shall be recorded and documented.
6. If the initial assessment suggests that the concern requires further examination, the Ethics Team shall initiate a detailed investigation, including cases involving staff accountability, in a fair, unbiased, and impartial manner, in line with principles of natural justice.
7. Investigations shall be conducted as a neutral fact-finding exercise, without presuming guilt or wrongdoing on the part of any individual.
8. Upon completion of the investigation, the Ethics Team shall prepare a written report containing, inter alia, the following details and submit the same to the appropriate authority for further action or decision:
  - a) Summary of facts and issues involved

- b) Whether similar disclosures were raised earlier and the outcome thereof, if any
- c) Details of any previous disclosures against the same Investigation Subject
- d) Assessment of financial or other losses incurred or likely to be incurred by the Company
- e) Findings and conclusions of the Ethics Team
- f) Impact assessment, wherever applicable
- g) Recommendations for disciplinary or corrective action, if required.

9. The investigation process shall, as far as practicable, be completed within a period not exceeding thirty (30) days from the date of receipt of the Protected Disclosure. For the purpose of investigation, the Ethics Team may appoint an internal investigating officer or seek assistance from external or professional advisors, if necessary.
10. Where the Protected Disclosure is substantiated, appropriate disciplinary and corrective measures shall be taken by the Ethics Team to address the issue and prevent recurrence.
11. Where the Protected Disclosure is not substantiated, the matter shall be closed, and the same shall be duly recorded.
12. Depending on the seriousness and nature of the matter, the findings and recommendations of the Ethics Team may be placed before the Audit Committee, which shall take a decision as it deems fit.
13. In cases of repeated frivolous or malicious complaints by any director, employee, or stakeholder, the Audit Committee may, based on the recommendations of the Ethics Team, take suitable action against the concerned person, including issuance of warning or reprimand.
14. The final outcome of the investigation shall be communicated in writing to the Whistle Blower, subject to confidentiality requirements.
15. In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation or the decision taken, he/she may make one appeal to the Audit Committee or the Board of Directors by writing to:

**SO-11, 3rd Floor, Magneto Offizo Magneto The Mall, Telibandha, Raipur,  
C.G. 492001**

**Head Counsel – Legal & Compliance  
Chhotaria Securities Pvt. Ltd.**

## **PROTECTION**

The Company shall ensure that adequate protection is provided to any Whistle Blower who makes a Protected Disclosure in good faith under this Vigilance Policy. The following safeguards shall apply:

1. **Chhotaria Securities Pvt. Ltd.** shall ensure that no Whistle Blower is subjected to any form of unfair treatment merely because he or she has reported a concern or assisted in an investigation under this Policy.
2. The Company strictly prohibits any form of discrimination, harassment, retaliation, or victimization against a Whistle Blower. Creating and maintaining such a protective environment shall be a key responsibility of the Ethics Team.
3. The Whistle Blower shall be fully protected against adverse actions such as termination, suspension, demotion, transfer, denial of promotion, disciplinary action, intimidation, threat, harassment, or any other biased or unfair treatment, whether direct or indirect, arising due to the Protected Disclosure.
4. The Company shall take reasonable steps to minimize any difficulties faced by the Whistle Blower as a result of raising a concern. Where required, the Company shall provide guidance and support if the Whistle Blower is required to participate or give evidence in any internal or external proceedings.
5. The identity of the Whistle Blower shall be kept strictly confidential and shall not be disclosed except where disclosure is required by law or is unavoidable for the purpose of investigation.
6. Any employee or individual who assists the Whistle Blower or the Ethics Team during the investigation by providing information or evidence shall be entitled to the same level of protection as provided to the Whistle Blower under this Policy.
5. Anonymous disclosures may be considered at the discretion of the Ethics Team if supported by credible evidence.

## **SECRECY / CONFIDENTIALITY**

All persons involved in the whistleblowing and investigation process under this Vigilance Policy shall maintain strict confidentiality. The following requirements shall be observed:

1. The Whistle Blower, the Investigation Subject, the Ethics Team, and all other persons associated with the matter shall maintain complete secrecy and confidentiality regarding the disclosure and investigation.
2. The matter shall not be discussed in informal settings, social gatherings, or unauthorized meetings.
3. Information relating to the disclosure shall be shared strictly on a need-to-know basis and only with individuals involved in completing the investigation or decision-making process.
4. All documents, records, and papers related to the complaint shall not be left unattended and shall be stored securely at all times.
5. Electronic records, emails, and files relating to the matter shall be password-protected and safeguarded against unauthorized access.
6. The Company shall maintain proper records of complaints received, findings of investigations, conclusions reached, and actions taken, in accordance with applicable laws and internal policies.
7. All records relating to vigilance complaints shall be preserved for a minimum period of eight (8) years or such period as required under applicable law

Any person found to be in violation of the confidentiality requirements under this Policy shall be liable for disciplinary action as deemed appropriate by the Company.

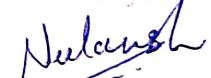
## REPORTING

1. A report containing details of the number of complaints received under this Vigilance Policy, along with relevant information relating to the status and outcome of investigations, shall be prepared on a quarterly basis.
2. Such quarterly reports shall be placed before the Audit Committee of **Chhotaria Securities Pvt. Ltd.** for review, oversight, and necessary directions, if any.

## AMENDMENT

1. This Vigilance Policy shall be reviewed by **Chhotaria Securities Pvt. Ltd.** on an annual basis or earlier, if required, in view of changes in applicable laws, regulations, or internal requirements.
2. The Company reserves the right to amend, modify, or revise this Policy, in whole or in part, at any time. Any such amendment shall come into effect from the date of approval by the Audit Committee and/or the Board of Directors of the Company.

**Chhotaria Securities Pvt Ltd**

  
**Nulash**  
**Director**