

HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. PREFACE

Harmony Capital Services Limited (hereinafter referred to as “the Company”) being listed company requires to establish a vigil mechanism for Directors and Employees to report genuine concerns as per the provisions of Section 177 of the Companies Act, 2013 in such manner as may be prescribed.

Revised Clause 49 of the Listing Agreement between the Listed Companies and the Stock Exchanges, inter alia also provides a mandatory requirement for all the listed companies to devise an effective whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy.

The Company has adopted a Code of Conduct (“the Code”) for Directors and senior management, which lays down the principles and standards that should govern the action of the Company and its employees Harmony Capital Services Limited , the Company, also believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standard of professionalism, honesty, integrity and ethical behavior.

In the view of the above, the Company proposes to establish a Vigil Mechanism and to formulate a “Whistle Blower Policy”.

2. OBJECTIVE OF THE POLICY

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.

To maintain the standards and objectives mentioned above, the Company encourages its director and employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear or punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases.

HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

The policy, however, neither releases employees from their duty of confidentiality in the course of their work, nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. SCOPE OF THE POLICY

This policy is for the employees as defined hereinafter.

The Policy has been drawn up so that Employees can be confident about raising a concern. The areas of concern covered by this policy are summarized in Paragraph 5.

4. DEFINITIONS

- 4.1 **“Disciplinary Action”** means any action that can be taken on the completion of during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fir considering the gravity of the matter.
- 4.2 **“Employee”** covered every employee of the Company (including those who are working at branches of the Company).
- 4.3 **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 4.4 **“Subject”** means a person against or in relation to whom a protected disclosure is made or evidence gathered during the course of any investigation.
- 4.5 **“Whistle Blower”** is someone who makes a protected disclosure under this policy.
- 4.6 **“Whistle Officer”** of “Committee” means an officer or Committee of persons who is/ are nominated/ appointed to conduct detailed investigation.
- 4.7 **“Ombudsperson”** will be a Non – Executive Director for the purpose of receiving all Complaints under this policy and ensuring appropriate action. In the first instance, the Board shall appoint this ombudsperson. The Managing Director shall have the authority to change the ombudsperson from time to time.

HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

5. THE GUIDING PRINCIPLES

To ensure that this policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- i.) Ensure that the Whistle Blower and/ or the person processing the Protected Disclosure is not victimized for doing so;
- ii.) Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- iii.) Ensure complete confidentiality;
- iv.) Not attempt to conceal evidence of the Protected Disclosure;
- v.) Take disciplinary actions, if any one destroys or conceals evidence of the Protected Disclosure made/ to be made;
- vi.) Provide an opportunity of being heard to the persons involved especially to the subject;

6. COVERAGE OF POLICY

The policy covers malpractices and events which have taken place/ suspected to take place involving:

- i.) Abuse of authority
- ii.) Breach of contract
- iii.) Breach of policy/(ies)
- iv.) Negligence causing substantial and specific danger to public health and safety
- v.) Manipulation of Company data/ records
- vi.) Financial irregularities, including fraud, or suspected fraud
- vii.) Criminal offense
- viii.) Deliberate violation of law/ regulation
- ix.) Wastage / misappropriation of Company funds/ assets
- x.) Breach of employee Code of Conduct or Rules
- xi.) Any other unethical, biased, favoured, imprudent event.

Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

7. DISQUALIFICATIONS

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.

HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

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.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted under Company's Code of Conduct.

8. **MANNER IN WHICH CONCERN CAN BE RAISED**

Any employee of the Company can make a Protected Disclosure, in one of the following ways:

- i.) By sending an email.
- ii.) By sending a letter in a sealed and secured envelope. (the letter can either be typed or written in legible handwriting in English or Hindi or Marathi or Gujarati).

All the protected disclosures with the subject "Protected Disclosure under the Whistle Blower Policy" should be addressed to Shri Balaji Bhagwat Raut an Independent Director of the board of Director of the Company.

The Contact details of Mr. Balaji Bhagwat Raut are as under

Mr. Balaji Bhagwat Raut
Office No. 8A, 8th Floor,
Astral Centre, 470/B, N. M. Joshi Marg,
Mumbai – 400 011
Tel. No. 022 -2300 1205

Email Id: harmonycsl@yahoo.com

Such Protected Disclosure can be made by an Employee, as soon as possible but not later than 30 consecutive days after becoming aware of the same.

Whistle Blower must put his/her name into such Letter or Email containing allegations. Concerns expressed anonymously WILL NOT BE investigated.

HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

9. RECEIPT, INVESTIGATION AND DISPOSAL OF PROTECTED DISCLOSURE

A. RECEIPT

On receipt of the Protected Disclosure, the Vigilance Officer / the Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other officer of the Company

before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:-

- i.) Brief facts;
- ii.) Whether the same protected disclosure was raised previously by anyone on the subject, and if so, the outcome thereof;
- iii.) Details of actions taken by the Vigilance Officer / the Chairman of the Audit Committee processing the complaint;
- iv.) Findings and recommendations

The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

B. INVESTIGATION

If initial enquiries by the Committee indicate that the concern has no basis, or it is not a matter that investigation be pursued under this Policy, it may be dismissed at this stage and the decision is documented.

Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Committee members, or by any other person nominated by the Committee in that context.

The investigation would be conducted in a fair manner. It shall be completed normally within 30 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

All Personnel have a duty to cooperate in the investigation of complaints reported as mentioned hereinabove. Depending on the nature of the complaint, any concerned Personnel, at the outset of formal investigations, may be

HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

informed of the allegations against him/her and provided an opportunity to reply to such allegations.

If, at the conclusion of its investigation, the Company determines that a violation has occurred or the allegations are substantiated, the Company will take effective remedial action commensurate with the severity of the offence. This may include disciplinary action against the concerned Personnel. The Company may also take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made. In some situations, the Company may be under a legal obligation to refer matters to appropriate external regulatory authorities.

C. DISPOSAL

The Vigilance Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him / her since the last report together with the results of the investigation, if any.

On finalization of the report, the Committee shall decide either:

- i. In case the Protected Disclosure is proved, accept the findings of the Committee and take such Disciplinary Action as he may think fit and takes preventive measures to avoid re-occurrence of the matter;
- ii. In case the Protected Disclosure is not proved, extinguish the matter;

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, He/ She can make a direct appeal to the Chairman of the Audit Committee.

In any case, the matter will be disposed of within 10 days of the completion of the investigation.

10. PROTECTION

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 Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any

HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

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.

The identity of the Whistle Blower shall be kept confidential.

Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

11. SECRECY / CONFIDENTIALITY

The Whistle Blower, the Subject, the Whistle Blower Committee and everyone involved in the process shall:

- a. Maintain complete confidentiality/ secrecy of the matter
- b. Not discuss the matter in any informal/social gatherings/ meetings
- c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d. Not keep the papers unattended anywhere at any time
- e. Keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

12. RETENTION OF DOCUMENTS

The Company shall maintain documentation of all complaints or reports subject to this Policy. The documentation shall include any written submissions provided by the complainant, any other Company documents identified in the complaint or by the Company as relevant to the complaint, a summary of the date and manner in which the complaint was received by the Company and any response by the Company to the complainant. All such documentation shall be retained by the Company for a minimum of six (6) years from the date of receipt of the complaint. Confidentiality will be maintained to the extent reasonably practicable depending on the requirements and nature of the investigation, as indicated above.

HARMONY CAPITAL SERVICES LIMITED

(CIN: L67120RJ1994PLC008796)

13. REPORTING

A quarterly report with number of Complaints received under the policy and their outcome shall be placed before the Audit Committee in their meeting.

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. Modification may be necessary, among other reasons to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the

Company. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.