

# VIGIL MECHANISM / WHISTLE BLOWER POLICY

**ARUNA HOTELS LIMITED**

CIN: L15421TN1960PLC004255

Registered office: 145, Sterling Road, Nungambakkam,  
Chennai 600034

**Preface:**

Aruna Hotels Limited (hereinafter referred to as "AHL" or "the Company") is committed to the highest standards of openness, probity, accountability, ethical, moral, legal and principles for the purpose of ensuring efficiency in the conduct of its business operations in a fair and transparent manner.

An important aspect of accountability and transparency is a mechanism to enable employees of the Company to voice concerns in a responsible and effective manner. It is a fundamental term of every contract of employment with the Company that an employee will faithfully serve his or her employer and not disclose confidential information about the employer's affairs.

The Company has adopted Code of Conduct for Directors and Senior Management which lays down the general principles and standards that should govern the actions of the employees and lays emphasis on adoption of the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with the matters relating to the Company. Any actual or potential violation of the Code, however insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the code cannot be undermined.

The Company has therefore endorsed the provisions set out below so as to ensure that no employee of the Company should feel at a disadvantage in raising legitimate concerns.

Section 177(9) of the Companies Act, 2013 mandates the following classes of Companies to constitute a Vigil Mechanism for their Directors and employees to report their genuine concerns or grievances: -

- ❖ Every Listed Company;
- ❖ The Companies which accepts deposits from the public;
- ❖ The Companies which have borrowed money from banks and public financial institutions in excess of Rs. 50 Crores (Rupees Fifty Crores only);

Further, Clause 49 of the Listing Agreement (now replaced with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) between listed companies and the stock exchanges has been recently amended which, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called the 'Whistle blower Policy' for Directors and Employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the 'Vigilance Officer' / 'Chairman of the Audit Committee of the Company'.

## **Definitions**

The definitions of some of the key terms used in this policy are given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code.

- a. "Act" means the Companies Act, 2013, as amended from time to time, and any rules framed thereunder.
- b. "Audit Committee" means the Audit Committee of the Board constituted by the Board of Directors of AHL in accordance with Section 177 of the Companies Act, 2013 and the Listing Agreement (now, SEBI Listing Regulations, 2015), from time to time.
- c. "Board" means the Board of Directors of AHL
- d. "Code" means the AHL Code of Conduct and Ethics as approved by the Board
- e. "Director" means a Director of the Board
- f. "Employee" means every employee of AHL
- g. "Investigators" means person(s) authorised, appointed consulted or approached by the Vigilance Officer or the Chairman of the Audit Committee.
- h. "Protected Disclosure(s)" means any communication made in good faith that discloses or demonstrates information that may indicate any violation or unethical or improper activity in the Company
- i. "Subject" means a person in against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an Investigation.
- j. "Vigilance Officer" means any officer of the Company who acts as Managing Director or Company Secretary to receive protected disclosure from Whistle Blowers, present the same to the Audit Committee for consideration and action and maintain the records thereof.
- k. "Whistle blower/ Complainant" means an Employee or a Director or any other stakeholder making a Protected Disclosure in terms of this policy.

## **Interpretation**

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and or SEBI Act and or any other SEBI Regulation(s) as amended from time to time.

## **Scope of the policy**

This policy is designed to enable employees of the Company to raise concerns internally and at a high level and to disclose information, which the individual believes shows malpractice, impropriety, abuse or wrongdoing. This policy is intended to deal with concerns which are at least initially to be investigated separately but might then lead to the invocation of other procedures e.g. disciplinary.

Protected Disclosures will be appropriately dealt with by the "Vigilance officer" or the Chairman of the Audit Committee, as the case may be.

### **Applicability of the policy**

This policy is applicable to all the Employees (including employees those who are in probation, full time contractual employees), Directors of the Company, and other Stakeholders such as Borrowers, Depositors, Vendors, Contractors, Suppliers and Customers of the Company.

### **Assurances under the policy**

If an employee raises genuine concern under this policy, he / she will not be at risk of losing his / her job nor will he /she be suffering from any form of retribution as a result. If one is acting in good faith it does not matter if one is mistaken.

The Company will not tolerate any harassment or victimization (including informal pressures) of / against the disclosing employee and will take appropriate action to protect the employee when he raises a concern in good faith.

If the employee asks for protection of his / her identity, the Company will not disclose it without his / her consent.

However, it is possible that the Company will be unable to resolve the concern raised without revealing the employee's identity (e.g. required for conducting an effective investigation or when evidence is needed in a Court). But, if this occurs, the Company will discuss with the employee as to how the Company and employee can proceed further in the matter and decide accordingly.

### **Disqualifications**

- a. While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a *mala fide* intention.
- c. Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be *mala fide*, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

### **Procedure – Handling Procedure Disclosure**

All protected disclosures should be addressed to the Chairman of the Audit Committee;

The protected Disclosure/Complaint should be attached to a letter bearing the identity of the Whistle blower/Complainant i.e., his/ her name, employee code and location and should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or Tamil or in the regional language of the place of employment of the whistleblower;

The protected disclosure should be forwarded under the covering letter which shall bear the identity of the Whistleblower. The Chairman of the Audit Committee shall remove/detach the covering letter and forward only the protected disclosure to the Vigilance Officer of the Company for Investigation;

If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Vigilance Officer, the same should be forwarded to the Company's Vigilance Officer or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential;

The protected disclosure should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure;

The Whistle Blower will disclose his identity in the covering letter forwarding such disclosure. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistleblowers.

The Contact details of the Chairman of the Audit Committee of the Company are as under:

Mr. Suyambu Narayanan,  
Chairman of the Audit Committee  
Whistle Blower/ Vigil Mechanism  
Aruna Hotels Limited  
145, Sterling Road,  
Nungambakkam,  
Chennai 600034, TN, India.

### **Investigation**

- ❖ All protected Disclosures under this policy will be thoroughly investigated by the Vigilance Officer of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- ❖ If any member of the Audit Committee has a conflict of interest in the given case, then he/she should rescue himself/herself and the other members of the Audit Committee should deal with the matter on hand.

- ❖ Protected Disclosures involving or relating to the Vigilance Officer which in the opinion of the Audit Committee may hamper the independence of the Vigilance Officer in conducting the investigation, will be investigated by the Audit Committee itself.
- ❖ The Vigilance Officer/ Chairman of the Audit Committee at its discretion may consider involving any investigators for the purpose of the investigation.
- ❖ The decision to conduct an investigation taken by the Vigilance Officer or Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- ❖ The identity of the Subject will be kept confidential to the extent possible given the legitimate needs of the law and the investigation.
- ❖ Subjects will normally be informed of the allegations at the outset of the formal investigation and will have opportunities for providing their inputs during the investigation.
- ❖ Subjects shall have a duty to co-operate with the Vigilance Officer / Chairman of the Audit Committee or any of the Investigators during the investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- ❖ Subjects shall have the right to consult with a person or persons of their choice other than the Vigilance Officer / Investigators and / or members of the Audit Committee and / or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in investigation proceedings.
- ❖ Subjects have the responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed, tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- ❖ Unless there are compelling reasons not to do so, Subjects will be given opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is a good evidence in support of the allegation.
- ❖ Subjects shall have a right to be informed of the outcome of the investigation. If the allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- ❖ The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

## **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 Whistleblowers. Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.,

The Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend the suitable action to the management.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle blowers are cautioned that their identity may become known for reasons outside the control of the Vigilance Officer / Chairman of the Audit Committee (e.g. during investigations carried out by investigators).

Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle blowers.

## **Role of Investigator(s)**

Investigators are required to conduct a process towards fact finding and analysis. Investigators shall derive their authority and access rights from the Vigilance Officer / Chairman of the Audit Committee when acting within the course and scope of their investigation.

Investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of Legal and Professional standards.

Technical and other resources may be drawn upon as necessary to augment the investigation.

All Investigators are authorised to take reasonable steps including reprimand against the Whistle blower in case of repeated frivolous complaints.

Investigations will be launched only after a preliminary review which establishes that:

- a. The alleged act constitutes an improper or unethical activity or conduct, and
- b. Either the allegation is supported by information specific enough to be investigated or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

### **Decision**

If an investigation leads the Vigilance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Vigilance Officer / Chairman of the Audit Committee deems fit. It is clarified that any disciplinary 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 or staff conduct and disciplinary procedures.

### **Reporting**

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

### **Retention of Documents**

All Protected Disclosures in writing or documented along with the results of the investigation relating thereto shall be retained by the Company for a minimum period of seven years.

### **Amendment**

The Company reserves a right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to the Employees and Directors in writing.

1<sup>st</sup> amendment dated 17.06.2021  
2<sup>nd</sup> amendment dated 11.02.2022