

## Whistle Blower Policy

### 1. INTRODUCTION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure requirements) 2015 to establish a mechanism called “Vigil Mechanism (Whistle Blower Policy)” for directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy. Accordingly, the Rainbow Foundations Limited (“Rainbow” or “company”) has established a set of procedures for the Directors and employees of to submit (whether openly, confidentially, or anonymously) their concerns about questionable accounting or auditing matters and violations of legal or regulatory requirements including unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct or Ethics policy. This written policy describes such procedures. This written policy also describes the procedures for the Audit Committee to receive and act on any such concerns that are raised by employees, stockholders, or other interested parties of the Company.

### 2. OBJECTIVE

The objective of the Policy is to explain and encourage the Whistle Blowers to report Unethical Activity without fear of retaliation; providing framework to report Unethical Activity; ensuring Whistle Blowers get response to their concerns; protect Whistle Blowers from victimization; initiate action, wherever necessary to set right the concerns; and ensuring that the Policy is not misused

### 3. RESPONSIBILITIES OF AUDIT COMMITTEE

- A. The Audit Committee shall receive, retain, investigate, and act on complaints and concerns (collectively, the “Reports”) of any director or employees or stockholders, and other interested parties regarding:
- a. questionable accounting, internal accounting controls, and auditing matters (each an “accounting allegation”), including without limitation:
    - i. deficiencies in, or non compliance with, Rainbow’s internal accounting controls or accounting policies;
    - ii. the circumvention or attempted circumvention of internal accounting controls;
    - iii. fraud or deliberate error in the preparation, evaluation, review, or audit of financial statements or in the recording and maintaining of financial records;
    - iv. any misrepresentation or false statement by a senior officer or accountant regarding a matter contained in the financial statements, financial reports including

quarterly or annual reports filed with the Registrar of Companies and Stock Exchanges or any other authority or audit reports, or any other failure to provide a full or fair reporting of financial condition; or

v. any misconduct, fraud, conflict of interest, fund embezzlement or misappropriation of assets of Rainbow.

vi. any other matter that would otherwise constitute a violation of Rainbow accounting policies.

b. non-compliance with legal and regulatory requirements (each a “Legal Allegation”), including without limitation, the rules and regulations promulgated by the Securities & Exchange Board of India and the Listing Agreement.

c. retaliation against any employee of Rainbow who, in good faith, makes a Report regarding an Accounting Allegation or a Legal Allegation (each a “Retaliatory Act”).

**B.** In the discretion of the Audit Committee, responsibilities of the Audit Committee created by these procedures may be delegated to the chairperson of the Audit Committee or CFO of the Company.

#### **4. PROCEDURES FOR EMPLOYEES MAKING COMPLAINTS**

**A.** In addition to any other avenue available, any director or employee of Rainbow may report openly, confidentially, any Accounting Allegation, Legal Allegation, or Retaliatory Act directly to the Chairman of the Audit Committee at [REDACTED]

**B.** The Vigil Mechanism as envisaged in the Companies Act 2013 and the Rules prescribed is implemented through the Whistle Blower Policy to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee. In making a Report, individuals should exercise due care to ensure the accuracy of the information disclosed and should provide sufficient information to enable an investigation to be conducted.

**Comment [L1]:** Mention the email id

#### **5. PROCEDURES FOR HANDLING REPORTS**

**A.** Each Report made to [REDACTED] shall be reviewed by the Audit Committee. The Audit Committee may, in its discretion, consult with any member of management who is not the subject of the allegation and who may have appropriate expertise to assist the Audit Committee.

**Comment [L2]:** Mention the email ID

The Audit Committee shall decide whether the Audit Committee or Management (“Board of Directors”) should investigate the Report, taking into account the considerations set forth in below.

- i. If the Audit Committee decides that management should investigate the Report, the Audit Committee shall notify the Rainbow's chief financial officer of that decision. Management shall thereafter promptly investigate the Report and shall report the results of its investigation to the Audit Committee. Unless the Audit Committee directs otherwise, management shall be free in its discretion to engage outside auditors, counsel, or other experts to assist in the investigation and in the analysis of the results thereof.
- ii. If the Audit Committee decides that it should investigate the Report, the Audit Committee shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage outside auditors, counsel, or other experts to assist in the investigation and in the analysis of the results thereof.

**B.** If the Audit Committee so directs, a summary of Reports received and/or investigated shall be provided to the Board of Directors.

#### **6. FACTORS FOR DETERMINING WHETHER THE AUDIT COMMITTEE OR MANAGEMENT SHOULD INVESTIGATE A REPORT**

In determining whether management or the Audit Committee should investigate a Report, the Audit Committee shall consider, among any other factors that are appropriate under the circumstances, the following:

- i. *Who is the alleged wrong doer?* If an executive officer, senior financial officer, or other high management official of Rainbow is alleged to have engaged in wrong doing that factor alone may be sufficient for Audit Committee to conduct the investigation.
- ii. *How serious is the alleged wrong doing?* The more serious the alleged wrongdoing, the more appropriate the Audit Committee should undertake the investigation. If the alleged wrongdoing would constitute a crime involving the integrity of the financial statements of Rainbow, that factor alone may be sufficient for Audit Committee to conduct the investigation.
- iii. *How credible is the allegation of wrong doing?* The more credible the allegation, the more appropriate that the Audit Committee should undertake the investigation. In assessing credibility, the Audit Committee should consider all facts surrounding the allegation, including, but not to, whether similar allegations have been made in the press or by analysts.

Note: If the wrong doer is the part of the Audit Committee then report can be investigated either by the Audit Committee excluding that member or by the Management of the Company or vice-versa

## **7. PROTECTION OF WHISTLEBLOWERS**

- i. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under the Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment/engagement practice being adopted against Whistle Blower.
- ii. 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 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. 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.
- iii. The identity of the Whistle Blower shall be kept confidential.

## **8. GENERAL**

- i. The Audit Committee shall retain, for a period of three years or such further time as may be required for purposes of completion of investigation including complaints in courts, all records relating to (a) any accounting allegation or legal allegation or report of a retaliatory act and (b) the investigation of any such Report.
- ii. The Audit Committee shall periodically review the existence and functioning of the mechanism and ensure that the mechanism is appropriately communicated within the organization.

**(The above policy was reviewed and approved by the Board of Directors at its meeting held on 30<sup>th</sup> May, 2019)**