

VARASHAKTI HOUSING FINANCE PRIVATE LIMITED

WHISTLE BLOWER POLICY

Preamble

In accordance with the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued by the Reserve Bank of India, the Company needs to formulate a Whistle Blower mechanism for the directors and employees to report genuine concerns.

Purpose

The purpose of the Whistle Blower Policy is to encourage employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage. The Policy applies to all the employees of VHFPL.

Definitions

“**VHFPL**” means Varashakti Housing Finance Private Limited

“**Audit Committee**” - means the Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013

“**Employee**” means every employee including the Directors in the employment of Company.

“**Improper Activity**” means any activity by an employee of the Company that is undertaken in performance of his or her official duty, whether or not that act is within the scope of his or her employment, and that is in violation of any law or the rules of conduct applicable to the employee, including but not limited to abuse of authority, breach of contract, manipulation of company data, pilferage of confidential / proprietary information, criminal offence, corruption, bribery, theft, conversion or misuse of the Company’s property, fraudulent claim, fraud or wilful omission to perform the duty, or that is economically wasteful or involving gross misconduct, incompetence or gross inefficiency and any other unethical biased favoured or imprudent act including sexual harassment of women in work place and leakage of Unpublished Price Sensitive Information. Activities which have no nexus to the working of the Company and are purely of personal nature are specifically excluded from the definition of Improper Activity.”

“**Competent Authority**” means the Managing Director of VHFPL or Chairperson of the Audit Committee or any other person to whom he may delegate any of his powers as the Competent Authority under this Policy from time to time.

“**Investigators**” means persons authorized, appointed, consulted or approached by the Managing Director/Competent Authority in connection with conducting investigation into a protected disclosure and include the Auditors of VHFPL.

“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or “Improper Activity”.

“Screening Committee” means a Committee constituted under Whistle Blower Policy of VHFPL, comprising, the Chairman & Managing Director or in his absence, a Functional Director as nominated by the MD and Chairman, Audit Committee or in his absence, a member of the Audit Committee as nominated by the Chairman, Audit Committee.

“Subject” means an employee against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

“Whistle Blower” means an Employee making a Protected Disclosure under this policy.

GUIDING PRINCIPLES:

1. Protected disclosures are acted upon in time bound manner.
2. Complete confidentiality of the Whistle Blower is maintained
3. The Whistle blower and/or the persons processing the Protected Disclosure are not subjected to victimization.
4. Evidence of the Protected Disclosure is not concealed and appropriate action including disciplinary action is taken in case of attempts to conceal or destroy evidence.
5. Subject of the Protected Disclosure i.e person against or in relation to who protected disclosure has been made, is provided an opportunity of being heard.
6. The Whistle Blower should bring to the attention of the Competent Authority at the earliest any improper activity.
7. The Whistle blower shall co-operate with investing authorities, maintaining full confidentiality.

This mechanism shall not be used by employees to make frivolous or personal complaints.

WHISTLE BLOWER - ROLE AND PROTECTION

ROLE:

1. The Whistle Blower’s role is that of a reporting party with reliable information.
2. The Whistle Blower is not required or expected to conduct any investigation on his own.
3. The Whistle Blower may also be associated with the investigations, of the case to warrants. However, he shall not have a right to participate.
4. Protected Disclosure will be appropriately deal with by the Competent Authority.
5. The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

PROTECTION:

1. Genuine Whistle Blowers will be accorded protection from any kind of harassment/unfair treatment/victimization. However, motivated and frivolous disclosures shall be discouraged.
2. If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, arrangements will be made for the Whistle Blower to receive advice about the procedure. Expenses incurred by the Whistle Blower in connection with the above, towards travel etc. will be reimbursed as per normal entitlements.
3. A Whistle Blower may report any violation of Clause above to the Competent Authority who shall investigate into the same and take corrective action as may be required.
4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

PROCEDURE AND HANDLING OF PROTECTED DISCLOSURE

1. The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the whistle blower/complainant i.e. his/her Name, Employee no., Designation and Address, and should be inserted in an envelope which should be closed/secured/sealed.
2. The envelope thus secured/sealed should be addressed to the Competent Authority and should be super scribed "Protected Disclosure". (If the envelope is not super scribed and closed/sealed/secured, it will not be possible to provide protection to the whistle blower as specified under this policy).
3. If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the whistle blower, he may send his protected disclosure directly to the Chairman, Audit Committee, c/o the Company Secretary, VHFPL.
4. Anonymous or pseudonymous Protected Disclosure shall not be entertained.
5. Protected Disclosure should either be typed or written in legible handwriting in any language listed in the Constitution of India and should provide a clear understanding of the Improper Activity involved or issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.

6. Investigations into any Improper Activity which is the subject matter of an inquiry or order under the Public Servants' Inquiries Act, 1850 or under the Commissions of Inquiry Act, 1952 will not come under the purview of this Policy.

7. The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows :

The Managing Director
Competent Authority for Whistle Blower Mechanism
Varashakti Housing Finance Private Limited,
New No. 33, Old No. 14, 48th Street
9th Avenue, Ashok Nagar,
Chennai - 600083

8. The contact details for addressing a protected disclosure to the Chairman of the Audit Committee are as follows:

Chairman, Audit Committee
C/o. Company Secretary
Varashakti Housing Finance Private Limited,
New No. 33, Old No. 14, 48th Street
9th Avenue, Ashok Nagar,
Chennai - 600083

9. The Competent Authority shall mark the envelope containing the protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof and shall submit the same to the Screening Committee.

10. The Screening Committee shall weed out frivolous / motivated complaints and the Protected Disclosure(s) / bonafide complaints which require further investigation shall be forwarded to the investigator(s) nominated for this purpose, through the Confidential Section.

11. The Screening Committee shall endeavour to meet as early as possible, preferably within 15 days of receipt of a protected Disclosure.

INVESTIGATIONS AND ROLE OF INVESTIGATORS:

Depending on the circumstances of the case, the Screening Committee may appoint an internal or external investigator.

1. Investigations shall be launched if the Screening Committee is satisfied after preliminary review that:
 - a) The alleged act constitutes an improper or unethical activity or conduct, and

- b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter deserves investigation.
2. The decision taken by the Screening Committee to conduct an investigation is by itself not to be construed as an accusation and is to be treated as a neutral fact-finding process.
 3. The identity of the Subject(s) and the Whistle Blower shall be kept confidential.
 4. Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.
 5. Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
 6. Subject(s) 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 Subject(s).
 7. Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
 8. The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
 9. Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigator(s):

10 Investigator(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall have derived their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his/their report to the Competent Authority.

11 All Investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of professional standards.

ACTION

1. If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable in law, the Competent Authority may direct the concerned authority to take disciplinary action under applicable statutory provisions.

2 The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.

3 If the Investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section.

4 If the competent authority is satisfied that the protected disclosures / complaint is false, motivated or vexatious, the competent authority may report the matter to concerned Disciplinary Authority for appropriate disciplinary action against the whistle blower.

GRIEVANCE

1. If the Whistle Blower feels aggrieved with the disposition of his or her Complaint or if the Whistle Blower or Subject feels that protection, which either of them is entitled to has not been provided or has been disregarded, the Whistle Blower or Subject as the case may be may make a representation in writing of his or her grievance to the Managing Director of the Company, who will take such action in the matter as he considers necessary to redress the grievance.

2. If the Whistle Blower or Subject feels aggrieved with the action taken by the Chairman of the Company on a representation made, he/she may make a representation in writing of his or her grievance to the Chairman of the Audit Committee, who shall take or direct such action on the representation as he shall deem fit. The decision of the Chairman of the Audit Committee shall be final and binding on the Whistle Blower and on the Subject(s).

REPORTING AND REVIEW

1 The Competent Authority shall submit a report of the complaint, of the investigation conducted, and of the action taken to the Chairman of the Audit Committee, who shall have power to review any action or decision taken by the Competent Authority.

2 All employees of the Corporation shall abide by, obey and be bound to implement any decision taken or direction given by the Audit Committee.

ANNUAL AFFIRMATION

The Company shall annually affirm that it has not denied any employee access to the Audit Committee and that it has provided protection to the Whistle Blower from adverse action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.