

## Whistle Blower Policy / Vigil Mechanism

### 1. OBJECTIVE AND PURPOSE

Based on the RBI Guidelines No: RBI/2021-22/112 DOR.CRE.REC. No.60/03.10.001 /2021-22, dated October 22, 2021 on Scale Based Regulation (SBR) - A Revised Regulatory Framework for NBFCs , this Whistle Blower Policy of the Company is formulated with the following objectives and purposes.

#### WHO IS WHITLE BLOWER?

Any Employee or Director who discloses or demonstrates an evidence of an unethical activity or any conduct that may constitute breach of the Company's Code of Conduct or Group Values. In that case the whistleblower can disclosure or express a genuine concern / grievance/ allegations.

#### PROTECTION:

The process is designed to offer protection to the whistleblower (employees and directors) provided that the disclosure made / concern raised / allegations made ("complaint") by a whistleblower is in good faith and the alleged action or non-action constitutes a genuine and serious breach of what is laid down in the Group Values and/or Company's Code of Conduct. It is necessary to safeguard the Employees/Directors from reprisals or victimization, and to prohibit management from taking any adverse personnel action against those Whistle Blowers

However, a disciplinary action against the Whistle Blower which occurs on account of poor job performance or misconduct by the Whistle Blower, which is independent of any disclosure made by the Whistle Blower shall not be protected under this policy.

#### DEFINITIONS:

- a. "Company" means Navarathna Housing Finance Limited (NHFL)
- b. "Employees" mean employees and Directors of the Company.
- c. "Audit Committee" means the Audit Committee of the Board constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with the relevant rules in this regard

- d. “Competent Authority” means the Managing Director of the Company and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (Managing Director - being the subject person), Competent Authority means Chairman – Audit Committee of the Board.
- e. “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 deemed to be fit considering the gravity of the matter.
- f. “Complaint” A complaint is the reporting of any unethical and improper practice observed or any violation to the whistleblower committee by a whistleblower made in good faith would constitute as a complaint.
- g. “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 if found violating the laws or the provisions of Company’s Code of Conduct applicable to the employees, but not limited to corruption, bribery, theft, misuse of Company’s property, fraudulent claim, actual or suspected fraud, wilful omission to perform
- h. “Protected Disclosures” means a bona-fide communication of any improper activity in relation to the matters concerning the Company, raised by a Director / Employee of the Company through a written communication and made in good faith. The protected disclosure should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible for proper assessment of the nature and extent of the concern.

#### **POLCY GUIDEINES:**

- a. As per the whistle blowing policy and procedure, it is the responsibility of all employees of a company to raise their concern against any unethical behaviour or any wrongdoing in the company as laid down in the whistle blowing policy and procedure.
- b. Any illegal activity which is not reported despite knowing will be considered as a breach of ethical behavior. It will be considered as unethical behavior
- c. There should be no retaliation against the person who is a whistleblower. Retaliation includes suspension or decrease in salary etc., any assignment which is of poor quality or any threats given to employee verbally or in writing.

### VALID COMPLAINT

- a. A Complaint shall be in writing, signed by the Complainant and shall bear the identity of the Complainant.
- b. Anonymous or pseudonymous Complaints shall not be entertained.

### PROCEDURE FOR RAISING COMPLAINT

A whistleblower can file a Complaint in multiple ways:

1. Can write to the Competent Authority or Audit Committee
2. A whistle blower can send an email
3. Directly Reporting the Managing Director or the Chairman of the Audit Committee

However, all the complaints are reported with strong supporting documents and evidences.

### INVESTIGATION:

1. Investigations shall be launched if the Authority is satisfied after preliminary review that: (a) The alleged act constitutes an improper or unethical activity or conduct,&  
(b) The allegation is supported by information and are specific enough to be investigated or in cases where the allegation are not supported by specific information, it is felt that the concerned matter deserves investigation.
2. The decision taken by the Authority 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 will be kept confidential.

### ACTION

1. If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable by law, the Competent Authority may direct the concerned authority to take disciplinary action under applicable statutory provisions
2. The Competent Authority shall take remedial action which are deemed fit to remedy the improper activity mentioned in the protected disclosure 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.

**REVIEW:**

1. The Competent Authority shall submit a report of the Complaint, of the investigation conducted, and of the action taken.
2. The Audit Committee of the Company, who shall have the power to review any action or decision taken by the Competent Authority, if necessary.
3. All employees of the Company shall abide by, obey and be bound to implement any decision taken or direction given by the Audit Committee of the Company under this

**AMENDMENT:**

This Policy can be changed or modified at any time jointly by the Managing Director, and the Chairman, Audit Committee

For Navarathna Housing Finance Ltd.,



(Managing Director)