

**Vridhi Finserv Home Finance Limited
(VFHFL)
(formerly Vridhi Finserv Limited)**

WHISTLE BLOWER POLICY

Version V2.0

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1. Governing Law :

As required under the [Scale Based Regulation \(SBR\)-A Revised Regulatory Framework for NBFCs](#), notified by Reserve Bank Of India and applicable to all Non-Banking Financial Companies in the middle and upper layers (NBFC-ML/ UL), **Vridhi Finserv Home Finance Limited ('Vridhi' or 'Company' or 'HFC')** shall establish a Whistle Blower Mechanism / Vigil Mechanism for its Directors and employees including part time & temporary employees and to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Such a vigil mechanism shall provide adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases.

This Policy has been drafted by Vridhi as a prudent measure though the Company is not required to have this policy as per sub-section (9) of section 177 read with Rule 7 of the Companies (Meetings of its Board and Power Rules 2017) of Companies Act, 2013 which prescribes Whistle Blower Policy for companies falling under the below categories

1. Every listed company;
2. Every other company which accepts deposits from the public;
3. Every company which has borrowed money from banks and public financial institutions in excess of Rs 50 Crores (Fifty Crores).

Vridhi has adopted the Code of Ethics & Business Conduct, which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, however insignificant or perceived as such, would be a matter of serious concern for the Company. Given employees' role in pointing out any violation of Code is very critical, the Policy has been formulated with a view to provide a vigil mechanism for employees of the Company to raise concerns on any violations of code of conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

2. Definitions:

S.No	Particulars	Meaning
1.	Audit Committee	Shall mean the Audit Committee constituted by the Board
2.	Chief Executive Officer/CEO	Shall mean the director so designated as Chief Executive Officer by the Board
3.	Code of Ethics & Business Conduct	Shall mean the "Code of Conduct" as specified in the HR Policy of the Company.
4.	Director	Shall mean the director of the Company.
5.	Employee	Shall mean part time and full-time employees of the Company

6.	Managing Director/ MD	Shall mean the director so designated as Managing Director.
7.	Protected Disclosure	Shall mean any communication, whether by letter/ email/ on designated portal or over telephone, relating to unethical practice or behavior or violation of service rules, made in good faith by the Whistleblower.
8.	Subject(s)	Shall mean a person(s) against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation
9.	Whistleblower	Shall mean a person, often an employee, who reveals information about activity within a private or public organization that is deemed illegal, immoral, illicit, unsafe or fraudulent.
10.	Whistle and Ethics Officer	Shall mean an officer so designated by the Company
11.	Vigil Mechanism/Whistleblower Mechanism	Shall mean the mechanism established to receive complaints relating to disclosure on any allegation of corruption or willful misuse of power or willful misuse of discretion, to report concerns about unethical behavior, actual or suspected fraud.

3. Policy Objectives:

Vridhi is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, Vridhi encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistleblower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports, etc.

The Policy and procedures set forth below are intended to encourage and enable employees to raise concerns in good faith and without the fear of retaliation or adverse employment action.

The policy is intended to cover serious concerns that could have a large financial or otherwise impact on business and image/ goodwill of Vridhi.

4. Scope of the policy:

This policy applies to all the Directors, Employees including part time and temporary employees of Vridhi. It covers a spectrum of malpractices, misuse of powers, frauds or suspected frauds etc., on account of which the interest of the Company and its stakeholders are generally affected. But this policy cannot in any way

be used as a defense for raising foul and false allegations against the management and co-workers. Management will reserve the right to take appropriate action on any such attempts, if needed.

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

1. Breach of contract including employee's code of conduct relating to expected ethical conduct, and behavioral aspect
2. Negligence causing substantial and specific danger to public health and safety
3. Manipulation of company data/records
4. Financial irregularities, including fraud or suspected fraud or deficiencies in Internal Controls and check or deliberate error in preparations of financial statements or misrepresentation of financial reports
5. Any unlawful act whether criminal/ civil
6. Pilferage of confidential/proprietary information
7. Deliberate violation of law/regulation
8. Wastage/misappropriation of company funds/assets
9. Breach of company policy or failure to implement or comply with any approved company Policy

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

5. Guiding Principles on Vigil Mechanism:

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

1. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
2. Treat victimization as a serious matter, including initiating disciplinary action on person (s) indulging in victimization
3. Ensure complete confidentiality unless mandated by law/regulatory authorities.
4. Not attempt to conceal evidence of the Protected Disclosure
5. Take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosure made/to be made
6. Provide an opportunity to hear all persons involved especially the Subject(s)

6. Eligibility

All Employees and Directors of the Company and various stakeholders of the company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

7. Receipt and disposal of protected disclosures:

1. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistleblower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written.

2. The Protected Disclosure should be submitted in a closed and secured envelope and should be superscribed as **“Protected disclosure under the Whistle Blower policy”**. Alternatively, the same can also be sent through email with the subject line as **“Complaint under the Whistle Blower Policy”**
3. The Company shall not entertain anonymous/ pseudonymous disclosures.
4. The Protected Disclosure should be forwarded under a covering letter signed or email from by the Whistleblower / Complainant. The Whistle and Ethics or the chairman of the Audit Committee/ CEO as the case may be, shall detach the covering letter bearing the identity of the Whistleblower and process only the Protected Disclosure.
5. Protected Disclosure against the Whistle and Ethics Officer should be addressed to the Managing Director (MD) and Chief Executive Officer (CEO) or chairman of the Audit Committee as provided in [Annexure-1](#) and the Protected Disclosure against the MD or CEO or chairman of the Audit Committee of the Company should be addressed to the any other Independent member of the Audit Committee.

On receipt of the protected disclosure the Whistle and Ethics Officer / MD and CEO / 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. The record shall include:

- a) Brief facts .
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof .
- c) Whether the same Protected Disclosure was raised previously on the same subject
- d) Details of actions taken by Whistle and Ethics Officer /MD and CEO/ chairman of Audit Committee for processing the Complaint.
- e) The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

8. Investigation:

1. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle and Ethics Officer of the Company who will investigate/ oversee the investigations under the authorization of the Audit Committee. The chairman of Audit Committee /Whistle and Ethics Officer/Managing Director and CEO may at its discretion consider involving any investigators for the purpose of Investigation.
2. The decision to conduct an investigation taken into a Protected Disclosure by itself is not an acceptance of the accusation by the authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.
3. The identity of a subject(s) will be kept confidential to the extent possible given the legitimate needs of the investigation or unless mandated by law/regulatory authorities.
4. Unless there are compelling reasons not to do so, all parties will be given a reasonable opportunity of being heard during the investigation. No allegation of wrongdoing against a party shall be considered as maintainable unless there is good evidence in support of the allegation.
5. Subject(s) shall have a duty to co-operate with the Whistle and Ethics Officer(s)/ Audit Committee during investigation to the extent that such cooperation sought does not merely require them to admit guilt.
6. Subject(s) shall have the right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.

7. Subject(s) shall 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).
8. Subject(s) have a right to be informed of the outcome of the investigation. If allegations are not sustained, the subject(s) shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
9. Whistle and Ethics Officer shall normally complete the investigation within 90 days of the receipt of protected disclosure.
10. In case a subject(s) are substantiated by the Whistle and Ethics Officer in his report, the Audit Committee may give an opportunity to the subject(s) to explain his/her side.

9. Safeguard against Harassment or Victimization

This policy assures the whistleblower/complainant will be provided adequate safeguard and the complainant will be given full protection if need arise.

Vridhi, 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 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.

Any other employee/business associate assisting in the said investigation shall also be protected to the same extent as the whistleblower.

10. Accountability

10.1. Whistleblower

- a. Bring to early attention of the Company any improper practice they become aware of.
- b. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- c. Avoid anonymity when raising a concern.
- d. Follow the procedures prescribed in this policy for making a disclosure.
- e. Co-operate with investigating authorities, maintaining full confidentiality.
- f. The intent of the policy is to bring genuine and serious issues to the fore, and it is not intended for petty disclosures. Malicious allegations by employees may attract disciplinary action.
- g. A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation.
- h. Maintain confidentiality of the subject matter of the disclosure and the identity of the persons involved in the alleged malpractice. It may forewarn the subject(s) and important evidence is likely to be destroyed.
- i. In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle and Ethics Officer or the Audit Committee, he/she can make an appeal to the MD/CEO.

10.2. Whistle and Ethics Officer

- a. Conduct the enquiry in a fair, unbiased manner.
- b. Ensure complete fact-finding.
- c. Maintain strict confidentiality.
- d. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
- e. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
- f. Record Committee deliberations and document the final report.

11. Rights of a Subject(s)

- A. Subject(s) have the right to be heard and the Whistle and Ethics Officer or the Committee must give adequate time and opportunity for the subject(s) to communicate his/her say on the matter.
- B. Subject(s) have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process.

12. Decision

1. If an investigation leads the Whistle and Ethics Officer / chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Whistle and Ethics Officer/ chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem 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.
2. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Whistle and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

13. Reporting

The Whistle & Ethics 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 investigations, if any.

In case of repeated frivolous complaints being filed by a director, or an employee, the audit committee or the director nominated to play the role of audit committee may take suitable action against the concerned director or employee including reprimand.

The complainant will be given an opportunity to receive a report on their concern in two weeks from the final decision of the Committee.

14. FAQs - Procedure for Reporting & Dealing with Disclosures

1) How should a Disclosure be made and to whom?

A Disclosure should be made in handwritten or typewritten. Letters can be submitted by hand-delivery, courier or by post addressed to the Whistle and Ethics Officer appointed by the Company.

Alternatively email can be sent to the email id: whistleblower@vridhihomefinance.com. A disclosure should normally be submitted to the Whistle and Ethics Officer.

2) Is there any specific format for submitting the Disclosure?

While there is no specific format for submitting a disclosure, the following details must be mentioned:

- Name, address and contact details of the whistleblower
- Brief description of the malpractice, giving the names of those alleged to have committed or about to commit a malpractice. Specific details such as time and place of occurrence are also important.
- What will happen after the disclosure is submitted?

The Whistle and Ethics Officer shall acknowledge receipt of the disclosure as soon as practical (preferably within 7 days of receipt of a disclosure), where the whistleblower has provided his/ her contact details.

The Audit committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Whistle and Ethics Officer as soon as practically possible and in any case, not later than 60 days from the date of receipt of the disclosure. The Whistle and Ethics Officer may allow additional time for submission of the report based on the circumstances of the case.

Whistle and Ethics Officer to keep the whistleblower regularly updated on the progress of the investigations on best effort basis, he/she will also keep the whistleblower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.

3) What should I do if I face any retaliatory action or threats of retaliatory action as a result of making a disclosure?

If you face any retaliatory action or threats of retaliatory action as a result of making a disclosure, please inform the Whistle and Ethics Officer in writing immediately. He/ She will take cognizance of each, and every such complaint/feedback received and investigate the same accordingly and may also recommend appropriate steps to protect you from exposure to such retaliatory action and ensure implementation of such steps for your protection.

15. Information

Depending upon requirement, further information may be sought from the complainant. Subject to legal constraints the whistleblower/complainant will receive information about the outcome of any investigations.

The Company affirms that no officials of the Company will be denied access to the Audit Committee and chairman to the Audit Committee.

16. Communication

The Policy will be published on the website of the company.

17. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

18. Administration and review of the policy

A quarterly status report on the total number of complaints received if any during the period with summary of the findings of Whistle and Ethics Officer and corrective steps taken should be placed before the Audit Committee. The MD and CEO shall be responsible for the administration, interpretation, application and review of this policy.

19. Amendment

The Company reserves the 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 them in writing.

The Board of Directors reserves the right to modify or amend this policy at its sole discretion at any time it may deem necessary. Amended policy would be published on Vridhi website.

20. Disclaimer

This Policy has been made as informative as possible and structured to ensure quick and easy interpretation by all. As and when there's an amendment to this policy, the updated policy document will be shared through the appropriate channel of communication.

In case of any ambiguity related to understanding of this policy, the final interpretation by the management will be considered as applicable in broad intent of the policy.

21. Review of policy

The Board of Directors shall conduct periodical review of the policy on an annual basis or in case change in any law or regulations require such review.

22. Change of control record

Version No.	Change Request by	Memorandum of Change	Approval date
2.0	Compliance Department	-	28 th September 2023

ANNEXURE-1

Name and Address of Whistle and Ethics Officer	Sunil Mehta 1st Floor, No. 38, GKR Sapthagiri Vaishtadhama 12th Cross, Off CBI Road, Ganganagar, Bangalore – 560032 sunil@vridhihomefinance.com
Name and Address of Managing Director and Chief Executive Officer	Ram Naresh Sunku 1st Floor, No. 38, GKR Sapthagiri Vaishtadhama 12th Cross, Off CBI Road, Ganganagar, Bangalore – 560032 ram@vridhihomefinance.com
Name and Address of Chairperson of Audit Committee	MM Muralidharan Nair 1st Floor, No. 38, GKR Sapthagiri Vaishtadhama 12th Cross, Off CBI Road, Ganganagar, Bangalore – 560032 muralidharan9643@gmail.com

