

Swarna Pragati Housing Microfinance Pvt. Ltd.



SWARNA PRAGATI HOUSING

Whistle Blower Policy

Date:

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1. Introduction

Swarna Pragati Housing Microfinance Pvt. Ltd. (SPHM or the Company) believes to conduct its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any wrongful conduct concerning the policies, procedures, codes and applicable laws, rules and regulations of the Company or in relation to corruption, misuse of office, criminal offence, suspected/ actual fraud, fraudulent reporting, misappropriation or mismanagement of the Company's assets, (hereinafter collectively referred to as 'alleged wrongful conduct') in good faith and to ensure that no adverse action is taken knowingly and in retaliation to the said disclosure and to provide for the procedure thereof.

This Whistle Blower Policy (Policy) is formulated under the relevant provisions under Section 177(10) of the Companies Act, 2013 and the rules made thereunder.

2. Purpose of Policy

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

3. Applicability

- This Policy shall be applicable to the whistle blower, who may have made a complaint in good faith of any instance of alleged wrongful conduct and as a result of which he should not be subjected to any victimization by any personnel of the Company.
- If on the basis of the complaint, the Company is of the opinion that either the complainant or the witnesses in the case, need protection, the Company shall issue appropriate directions to the Head –HR, in this regard.

4. Scope of the Policy

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which SPHM's interest is affected and formally reported by whistle blowers concerning its employees.

5. Definitions

1. "Alleged wrongful conduct" shall mean violation of law, infringement of Company's policies or procedures, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
2. "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity with respect to SPHM. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
3. "Whistle Blower" means an employee or group of employees who make a Protected Disclosure and also referred in this policy as complainant.

4. "Subject" means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
5. "Whistle & Ethics Counsellor" will be the Compliance Officer for the purpose of receiving all complaints and ensuring appropriate action.

6. Eligibility

All SPHM employees are eligible to make Protected Disclosures under the Policy in relation to matters concerning SPHM.

7. Disqualification

1. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
2. Protection would not mean protection from disciplinary action arising out of false or fake allegations made by a Whistle Blower knowing it to be false or fake with a *mala fide* intention.
3. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make three or more Protected Disclosures, which have been subsequently found to be Frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures.

8. Procedure of Reporting

1. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairperson of the Audit Committee of SPHM for investigation.
2. Protected disclosures concerning the CEO/COO shall be addressed to the Chairperson of the Audit Committee.
3. Protected disclosures concerning the Whistle & Ethics Counsellor shall be addressed to the CEO/COO of SPHM. (The COO to be addressed only till the time CEO is not there).
4. Protected disclosures concerning all other staff shall be addressed to the Whistle & Ethics Counsellor of SPHM.
5. If a protected disclosure is received by any executive of SPHM other than Chairperson of Audit Committee or the CEO/COO or the Whistle & Ethics Counsellor, the same should be forwarded to the SPHM's Whistle & Ethics Counsellor or the CEO/COO or the Chairperson of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.
6. Protected Disclosures 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 in the regional language of the place of employment of the Whistleblower. While no specific format of protected disclosure is prescribed, the following information shall be furnished in the protected disclosure:
 - ☑ Nature of the allegation
 - ☑ Date(s) and time of occurrence

- ☐ Location of the occurrence
 - ☐ Way in which the wrong doing was committed
 - ☐ Person(s) allegedly involved in the wrong doing
 - ☐ Amount of financial loss on account of alleged wrong doing
 - ☐ Any documentation available to support the allegation
 - ☐ Other witnesses (if any) to the alleged wrong doing
7. The Protected Disclosure should be submitted in a closed and secured envelope. Alternatively, the same can also be sent through email with the subject “Complaint under the Whistle Blower policy”. If the complaint is not super scribed and closed as mentioned above, it will not be possible to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Whistle & Ethics Counsellor will not issue any acknowledgement to the complainants and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Whistle & Ethics Counsellor. The Whistle & Ethics Counsellor shall assure that in case any further clarification is required he will get in touch with the complainant.
 8. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistleblower. The Chairperson of the Audit Committee / the CEO / COO / Whistle Ethics Counsellor, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
 9. Protected Disclosures 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.
 10. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistleblowers.

9. Investigation Procedure

1. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle & Ethics Counsellor / CEO /COO / Chairperson of the Audit Committee of SPHM 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 any given case, then s/he should step out and the other members of the Audit Committee should deal with the matter on hand.
2. The Whistle & Ethics Counsellor / CEO/ COO / Chairperson of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
3. The decision to conduct an investigation taken by the Whistle & Ethics Counsellor / CEO / COO/ Chairperson 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 Whistleblower that an improper or unethical act was committed.
4. The identity of the Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
5. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

6. Subjects shall have a duty to co-operate with the Whistle & Ethics Counsellor / CEO/ COO /Chairperson of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
7. Subjects have a right to consult with a person or persons of their choice, other than the Whistle & Ethics Counsellor / Investigators and/or members of the Audit Committee and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
8. Subjects 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 Subjects.
9. Unless there are compelling reasons not to do so, Subjects will be given the 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 good evidence in support of the allegation.
10. Subjects have a right to be informed of the outcome of the investigation. If 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 SPHM.
11. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

10. Investigators

1. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Whistle & Ethics Counsellor / CEO / COO/ Audit Committee when acting within the course and scope of their investigation.
2. Technical and other resources may be drawn upon as necessary to augment the investigation.
3. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
4. Investigations will be launched only after a preliminary review which establishes that:
 - i) the alleged act constitutes an improper or unethical activity or conduct, and
 - ii) 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.

11. Decision

If an investigation leads the Whistle & Ethics Counsellor / CEO / COO/ Chairperson of the Audit Committee to conclude that an improper or unethical act has been committed, the Whistle & Ethics Counsellor / CEO / COO/ Chairperson of the Audit Committee shall recommend to the management of SPHM to take such disciplinary or corrective action as the Whistle & Ethics Counsellor / CEO / COO/ Chairperson 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.

12. Secrecy and Confidentiality

The complainant, Whistle & Ethics Counsellor, Members of Audit Committee, the Subject and everybody involved in the process shall:

- i) Maintain confidentiality of all matters
- ii) Discuss only to the extent or with those persons as required for completing the process of investigations.
- iii) Not keep the papers unattended anywhere at any time
- iv) Keep the electronic mails / files under password.

13. Protection

1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
2. A Whistle Blower may report any violation of the above clause to the Chairman of the Company, who shall investigate into the same and recommend suitable action to the management.
3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under the Law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

14. Communication

All employees shall be notified of the contents of this Policy through the Regional Managers / Functional Heads. The policy shall also be put on the METIS for the access of employees. New employees shall be informed of this Policy by the HR Department on their joining the services of the Company.

15. Administration and Review of the Policy

The Audit Committee shall be responsible for the administration, interpretation, application and review of this policy. The Audit Committee is also empowered to bring about necessary changes to this Policy, if required, at any stage.