

Shapoorji Pallonji Finance Private Limited

Whistle Blower / Vigil Mechanism Policy

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1. PREFACE

Shapoorji Pallonji Finance Private Limited (hereinafter referred to as the “**Company**”) believes in the conduct of the affairs of its business, Employees and Directors, in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company is committed to develop a culture where it is safe for all Employees and Directors to raise genuine concern or grievance about any Reportable Matter as defined in the Policy and concerning the affairs of the Company.

The whistle blower / vigil mechanism policy (hereinafter referred to as the “**Policy**”) neither releases the Employees and Directors of the Company from their duties of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

2. OBJECTIVE:

The Objectives of the Policy are to:

- (a) Establish Vigil Mechanism for the Directors and Employees of the Company to report their genuine concern or grievance about any reportable matter;
- (b) Procedure to report genuine concern or grievance about any reportable matter;
- (c) Undertake / facilitate investigation in connection with the genuine concern or grievance about any reportable matter;
- (d) Suggest disciplinary action and preventive measures if concern or grievance is proved, to safeguard the interest of the Company;
- (e) Provide adequate safeguards against victimisation of the persons who avail vigil mechanism provided for under the Policy; and
- (f) Mechanism for reporting on genuine concern or grievance about any reportable matter to the relevant authority within the Company

The Policy also provides for the framework in case of repeated frivolous complaints being filed by a director or employee of the Company.

3. SCOPE

The scope of the Policy is to act as an additional internal element of the Company’s compliance and integrity policies and is not a substitute for other formal internal arrangements and procedures established by the Company from time to time and applicable laws.

The Policy shall cover genuine concerns or grievances, including, but is not limited to the following:

- (a) Abuse of authority;
- (b) Breach of contract;
- (c) Negligence causing danger to public health and safety;
- (d) Manipulation of the Company data/records;
- (e) Financial irregularities, including Fraud, or suspected Fraud;
- (f) Criminal offence;
- (g) Pilferation of confidential/propriety information;

- (h) Violation of applicable laws, regulations thereby exposing the Company to penalties or fines including deliberate violation of law / regulations;
- (i) Wastage/misappropriation of Company funds/assets;
- (j) Breach of employee code of conduct or rules and policies of the Company;
- (k) Any other unethical, biased, favoured, imprudent event which does not confirm to approved standard of professional behavior;

(hereinafter referred to as “**Reportable Matter**”)

The Company shall oversee the vigil mechanism through its Audit Committee and if any of the members of the Audit Committee have a conflict of interest in a given case, they shall recuse themselves and the other Members of the Audit Committee would deal with the matter on hand.

4. APPLICABILITY

This policy is applicable to all the employees and directors of the Company.

5. DEFINITIONS

- (a) “**Act**” means the Companies Act, 2013 and Rules framed thereunder relevant rules, as amended from time to time.
- (b) “**Audit Committee**” means the Audit Committee constituted by the Board in accordance with the applicable law;
- (c) “**Board**” means the Board of Directors of the Company;
- (d) “**Disciplinary Action**” means any action that can be taken on the completion of during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter;
- (e) “**Directors**” means all the directors of the Company;
- (f) “**Employee**” means every employee of the Company, whether the terms of employment are express or implied and includes employees hired on contractual basis, retainer, co-worker, probationer, trainee, apprentice or called by any other such name¹;
- (g) “**Disciplinary / Ethics Committee**” means a Committee responsible for ensuring investigation and also referred as “Relevant Authority” under this policy.
- (h) “**Fraud**” in relation to affairs of the Company, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the Company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss;
- (i) “**Investigation Subject**” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- (j) “**Protected Disclosure**” means a genuine concern or grievance raised by a written communication made in good faith that discloses or demonstrates information in connection with a Reportable Matter;
- (k) “**Whistle Blower**” is Employee or Director who makes a Protected Disclosure under this Policy.

6. GUIDING PRINCIPLES

¹ The aforesaid definition of ‘Employee’ shall be used only for the purposes of the Policy and cannot be used to claim rights of an employee conferred by any law for the time being in force.

To ensure that this Policy is adhered to, to assure that the genuine concern or grievance about any reportable matter shall be acted upon seriously, and to provide for adequate safeguards against victimisation of the Whistle Blower, the Company shall:

- (a) Ensure that the Whistle Blower processing the Protected Disclosure is not victimized for doing so;
- (b) Treat victimization as a serious matter including initiating disciplinary action on such person(s);
- (c) Ensure complete confidentiality;
- (d) Not attempt to conceal evidence of the Protected Disclosure;
- (e) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made; and
- (f) Provide an opportunity of being heard to the persons involved subject.

7. MANNER IN WHICH PROTECTED DISCLOSURE CAN BE MADE

The procedure for making a Protected Disclosure is mentioned below and is subject to such amendments/modifications as may be required from time to time as per applicable laws:

- (a) The Protected Disclosure should be made by the Whistle Blower in writing;
- (b) Whistle Blower can make Protected Disclosure under this Policy by writing at email id i.e. sfinance.vigilmmechanism@shapoorji.com, as soon as possible, after becoming aware of the Reportable Matter;
- (c) Indicative format for making a Protected Disclosure is annexed hereto as **Annexure A**

8. INQUIRY

- (a) If initial enquiries undertaken by the Ethics / Disciplinary Committee under this mechanism indicates that the concern or grievance has no basis, or it is not a matter of investigation, it may be dismissed at this stage and the basis for such dismissal will be recorded and such decision will be documented.
- (b) Where initial enquiries indicate that further investigation is necessary/ where the case does not qualify for dismissal, then the detailed investigation will be carried through the Disciplinary/Ethics Committee. The investigation shall be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt;
- (c) The timeline for final decision of investigation shall not exceed 30 days from the date of receipt of the Protected Disclosure. However, the Disciplinary/Ethics Committee may for reasons recorded in writing extend the said period for a further period not exceeding one month, if it is satisfied that circumstances warrant extension of time to facilitate investigation;
- (d) Disciplinary / Ethics Committee for the purposes of this Policy and implementation of vigil mechanism may appoint third party advisors, investigating officers or seek external / professional advice.

9. COMPLETION OF INQUIRY

- (a) On completion of the inquiry proceedings, Disciplinary / Ethics Committee shall provide a written report of the findings and such report shall include following:
 - (i) Facts of the matter;
 - (ii) Whether the Protected Disclosure was raised previously by anyone or not, and if made, the outcome thereof;
 - (iii) Whether any Protected Disclosure was raised previously against the same Investigation subject;
 - (iv) The financial/ otherwise loss which has been incurred/ would have been incurred by the Company;
 - (v) Findings of the Disciplinary / Ethics Committee;

- (vi) Impact analysis (If applicable); and
- (vii) Recommendations of the Disciplinary / Ethics Committee in the disciplinary/ other action/(s).
- (b) In case the Protected Disclosure is proved, accept the findings of the Disciplinary / Ethics Committee and take such Disciplinary Action as the Disciplinary / Ethics committee may think fit and take preventive measures to avoid reoccurrence of the matter;
- (c) In case the Protected Disclosure is not proved, extinguish the matter and take note of same;
- (d) Disciplinary / Ethics committee may if it thinks fit, refer the matter to the Audit Committee with proposed disciplinary action/counter measures. The Audit Committee may decide on the action. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit;
- (e) The findings of Disciplinary / Ethics Committee or the Audit Committee or the Board, as the case may be shall be communicated to the Whistle Blower.

10. APPEAL

- (a) In exceptional case, where the Whistle Blower is not satisfied with the outcome of the Investigation or the Whistle Blower aggrieved on account of recommendations made by Disciplinary / Ethics Committee or due to non-implementation of such recommendations, may prefer an appeal to the Chairman of the Audit Committee by writing at below mentioned address:

The Chairman of the Audit Committee
Shapoorji Pallonji Finance Private Limited
SP Centre, 41/44 Minoo Desai Marg
Colaba, Mumbai – 400 005.

- (b) The appeal shall be made within a period of 30 days of the receipt of the findings/ recommendations of Disciplinary / Ethics Committee.

11. REPEATED FRIVOLOUS COMPLAINTS

In case of repeated frivolous complaints being filed by a Director or an Employee, the Audit Committee may take suitable action against the concerned Director or Employee, if any, including reprimand based on the recommendations of the Disciplinary / Ethics Committee.

12. PROTECTION

- (a) No unfair treatment will be caused to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.
- (b) The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. 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.
- (c) The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in any disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- (d) The identity of the Whistle Blower shall be kept confidential.

- (e) Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

13. SECRECY/CONFIDENTIALITY

The Whistle Blower, the Investigation Subject, the Disciplinary / Ethics committee and everyone involved in the process shall:

- (a) maintain complete confidentiality/ secrecy of the matter
- (b) not discuss the matter in any informal/social gatherings/ meetings
- (c) discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- (d) not to keep the papers unattended anywhere at any time
- (e) keep the electronic mails/files under password
- (f) a record of complaints, conclusion, actions etc, if any, shall be maintained by the Company.

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as the Audit Committee deems fit.

14. REPORTING

A report with number of Protected Disclosures received under the Policy and their outcome shall be placed before the Audit Committee at regular intervals and atleast once in a year.

15. AWARENESS

The Human Resource Department of the Company shall create the necessary awareness among all Employees in all cadres and make those concerned/affected known on the Company's policies in place.

16. AMENDMENT

The Company reserves the right to amend or modify this policy in whole or in part, at any point of time. Any amendment to the policy shall take effect from the date when it is approved by the Board of Directors or the Audit Committee authorized in this regard.

**ANNEXURE A
FORMAT**

Date	:	-
Name of the Employee/Director	:	-
E- mail id of the employee/Director	:	-
Communication Address	:	-
Contact No	:	-
Reportable Matter	:	-
(Name of the person/ event focused at)	:	-
Brief about the concern or grievance	:	-
Evidence (enclose, if any)	:	-

Signature