



## **Whistle Blower Policy of the Company**

**2019-20**

**Board Secretariat & Taxation Department**

**Registered Office  
#29/1, Sir M N Krishna Rao Road  
Basavanagudi  
Bengaluru – 560 004**

## Whistle Blower Policy

### Preface:

The Company has adopted the Code of conduct for the directors and employees, which lays down the principles and standards that should govern the actions of the directors and employees. Any Actual or potential violation of the code, howsoever insignificant or perceived as such would be a matter of serious concern of the Company.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the company encourages its employees and stakeholders, who have concerns about suspected misconduct to come forward and express these concerns without fear of unfair treatment or punishment.

The Whistle Blower/ Vigil Mechanism to be revisited periodically to incorporate the amendments to the provisions of the Companies Act, 2013 related rules and Regulation 22 of SEBI (LODR) Regulations, 2015, or such other Acts/regulations, as applicable and as amended from time to time.

### Objective of the Policy: \_

This policy aims to provide an avenue for its employees to raise concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct, violations of legal or regulatory requirements, incorrect or misrepresentation of any statements, reports, etc.

Whistle blower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company.

### Scope of the policy:

The primary focus of the policy aims at building a successful whistle blower mechanism, the one which is fair, non-vindictive and easily accessible to all, so that the frauds/ potential frauds are detected and controlled at a nascent stage. It also provides for adequate safeguard against victimization of directors or employees or any other person who avails the mechanism and also provide for direct access to the chairperson of the Audit Committee in appropriate/exceptional cases.

This policy covers actual or suspected malpractices, illegal activities and instances as indicated below and allows whistle blower, to report the same to the Audit Committee;

- Misrepresentation of facts or falsification of records/ reports of the company;
- Misuse of Company Assets/Funds (E.g. Forged bills, personal use of company assets etc.);
- Pilferation of confidential information to advance personal interests;
- Dual employment directly or indirectly affecting the interest of the company;
- Misuse of customer's money in any form (E.g. taking unauthorized money/gifts or offer of entertainment from customers etc.);
- Any undue favour to the customer for personal gains (E.g. Forging of documents, deliberately hiding important facts etc.);
- Misusing/taking advantages of functional procedural lapse including misrepresentation of the facts;
- Indulgence in any unlawful act involving violation of any criminal/civil law/ legislations;
- Breach of Company Policies;
- Dangerous Practices likely to cause physical harm/damage to any person/property;
- Manipulation of Company's data/records;
- Abuse of power or authority for any unauthorized or ulterior purpose;
- Unfair discrimination, coercion, harassment in the course of employment or provision of service.

**Definitions:**

**Whistle Blower/ Complainant:** It means an employee or a director or any other stakeholder such as borrowers, co-borrowers, depositors, key partners, direct selling agents, vendors etc., who makes a protected disclosure under this policy. He/ She is neither an investigator nor a finder of facts, nor does he/ she determines the appropriate corrective or remedial action that may be warranted.

**Accused/ Offending Employee:** It means an employee against whom a complaint is lodged.

**Audit Committee:** It means Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act read with Companies (Meetings of Board and its powers) Rule, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Company:** It means Can Fin Homes Limited.

**Directors:** It means a director appointed on the Board of Directors of the Company.

**Employee:** It means every employee (probationer, confirmed and outsourced) of the Company, including ex-employee and Executive Directors of the Company.

**Protected Disclosure:** It means any communication made in good faith to disclose information that evidences unethical or improper activity/ behavior. It shall be factual and not speculative in nature.

**Subject:** It means 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.

**Unethical Behavior:** It means and includes suspected or alleged illegal, false, misleading dishonest, deceptive, unethical, corrupt or unconscionable conduct.

**Process of lodging complaint:**

1. The protected disclosure shall be made in writing.
2. The complaint shall be sent in a closed or secured envelope.
3. The envelope shall be addressed to the Chairperson of the Audit Committee and forward the same to the Registered Office of the Company.
4. The protected disclosures that expresses anonymously will not be investigated.
5. The Complainant shall mention his/ her name and address in the beginning or at the end of the letter or in an attached letter.
6. The envelope should be super scribed with "**Complaint under Whistle Blower Mechanism**".
7. The complaint shall be drafted carefully and the identity of the complainant should be specific and verified.

**Establishment of vigil mechanism:**

The Company shall establish Vigil Mechanism as per Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014. The Audit Committee shall oversee the Vigil Mechanism through the committee and if any of the members of the committee have a conflict of interest in a given case, they should rescue themselves and the others on the Committee would deal with the matter on hand.

The Vigil Mechanism shall provide for adequate safeguards against victimization of Employees and directors who avail the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee.

In case of repeated frivolous complaints being filed the Audit Committee may take a suitable action against the concerned complainant.

**Confidentiality mechanism of whistle blower:**

The complaints received under the whistle blower will be opened by the Chairperson of the Audit Committee/or any other person so authorized by the Audit Committee or Board of Directors. Upon the receipt of the complaint, the particulars of the complaint are to be recorded in a Register maintained for the purpose and a complaint number to be allotted and the same as well as the number of pages of the Complaint are to be recorded in the Register.

**Protection to whistle blower:**

The company will protect the confidentiality of the complainant and their names and identity will not be disclosed, unless statutorily required under any law.

No adverse penal action shall be taken or recommended against an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. It will be ensured that the whistle blower is not victimized for making such disclosure. In case of victimization in such cases, serious view will be taken including departmental action on such persons victimizing the whistle blower.

The identity of the complainant will not be revealed without his /her consent in writing or unless the complainant himself/herself has made the details of the complaint either public or disclosed his/her identity to any other office or authority.

**Investigation process:**

- On receipt of the complaint, the Audit Committee may appoint/ authorize an investigator/ group of investigators or department personnel to investigate into such acts. The concerned authority may, depending on the complaint received, shall outline the detailed procedure and scope for the conduct of such investigation.
- Accused shall be informed of the allegation at the time when the Audit Committee on their preliminary review of the matter determine that the protected disclosure made needs to be investigated further and shall also be provided with an opportunity of being heard during the investigation.
- The Audit Committee shall have the right to call for information/document and/or examination of an employee (including the accused and whistle blower) as they may deem necessary in the process of investigation.
- It is expected that the accused co-operates with the concerned authority or the authorized person appointed to conduct investigation. The accused shall not interfere in the investigation process by non-cooperation, malafide intent, undue influence or tampering record/evidence.
- The disciplinary or corrective action shall be decided by the Deputy Managing Director or Managing Director, which shall be in line with the CFHL Staff Service Regulations and report on the same shall be placed before the Audit Committee.

**Amendments/modifications:**

The company with the approval of the Audit Committee or the Board of Directors can at any time modify, suspend or rescind either the whole or any part of this policy subject to the provisions of applicable laws and such modified document shall be uploaded in the website of the Company.

**Retention of documents:**

All the relevant disclosure or complaints made in writing along with the results of the investigation shall be retained by the Company for its record and future reference.

**Quarterly report submission:**

A quarterly report with the number of Complaints received under this policy by the Chairperson of the Audit Committee shall be placed before the Audit Committee.