

AVANSE FINANCIAL SERVICES LIMITED

Whistle Blower Policy

VERSION CONTROL

Version	Date of Adoption*	Change reference	Owner	Approving Authority
1	October 20, 1014	Adoption of Policy	Secretarial	Board of Directors
2	October 14, 2016	Revision of Policy	Secretarial	Board of Directors
3	April 18, 2017	Revision of Policy	Secretarial	Board of Directors
4	August 2, 2022	Review of Policy	Secretarial	Board of Directors

** The Policy version controls are maintained from 2013 and onwards.*

“If at any point a conflict of interpretation/information between this Policy and any Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Circulars/ Directions by RBI arise then interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Directions issued by RBI shall prevail.

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1. Preamble

Avanse Financial Services Ltd. [AFSL] believes and is committed to adhere to high ethical standards and compliance with laws and regulations applicable to its business. The Company has, thus, adopted a Code of Conduct that provides for the policies and procedures that promotes the ethical and legal behavior by the employees of the Company.

In context, the company encourages and supports its employees and / or directors making disclosures of any such suspected instances of unethical/improper behavior and intends to provide for a mechanism to channelize reporting of such instances/ complaints to ensure proper governance.

Section 177 (9) & (10) of the Companies Act, 2013 read with rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 *inter alia* provides the requirement for all limited companies to establish a vigil mechanism called 'Whistle Blower Policy' for employees and/ or Directors, to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy.

Thus, this Whistleblower Policy ("the Policy") is being introduced, in line with the requirements of section 177 (9) & (10), read with rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 to provide for a Vigil Mechanism for employees and/ or directors of the Company to bring to the notice of the Ethics Officer [Head of Human Resources (HR)] or C.E.O. or the Chairman of the Audit Committee of the Company, instances of unethical behavior and violation of regulatory / legal requirements.

2. Definitions

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

- (a) **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013, read with of Companies (Meetings of Board and its Powers) Rules, 2014, (erstwhile section, 292A of the Companies Act, 1956) and is being authorized to oversee the Vigil Mechanism of the Company.
- (b) **"Employee"** means every employee (probationer, confirmed and outsourced) of the company, including ex-employee and Executive Directors of the Company.

- (c) **“Director”** means a director appointed to the Board of a company.
- (d) **“Concerned Authority”** means that person who is the Ethics Officer [Head of Human Resources (HR)] or the Chief Executive Officer or the Chairman of the Audit Committee of the Company.
- (e) **“Code of Conduct”** means the Avanse Code of Conduct.
- (f) **“Protected Disclosure”** means any communication made in good faith to disclose information that evidences an unethical or improper activity/behavior.
- (g) **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- (h) **“Whistle Blower”** means an employee and / or director, making a protected disclosure under this Policy. He/she is neither an investigator nor a finder of facts, nor does he/she determine the appropriate corrective or remedial action that may be warranted.
- (i) **“Improper/unethical behavior”** for the purpose of this policy means and includes suspected or alleged illegal, false, misleading, dishonest, deceptive, unethical, corrupt or unconscionable conduct and shall also include other acts pertaining to breach of policy/misappropriation/harassment etc. which could also be part of Code of conduct and malpractices policy in place.

3. Scope of the Policy

(a) Whistle Blower can bring the following to the notice of the concerned authority(ies):

- (i) Any fraudulent activities going on in the Office/Branch/Unit.
- (ii) Willful indulgence in unethical practices like;
- Misrepresentation of facts or falsification of records 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 customers' 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 policy;
- Dangerous practice(s) likely to cause physical harm/damage to any person/property;
- Abuse of power or authority for any unauthorized or ulterior purpose;
- Unfair discrimination, coercion, harassment in the course of employment or provision of services.

(iii) Any grievances arising out of (i) and (ii) above.

However, the above should be supported by proper evidence and reliable information. Care should be taken not to indulge in baseless allegation.

(b) Any employee and / or director, knowingly hiding information in any form regarding any unethical practices/activities in one's work place will also constitute unethical practice on the employee's part.

4. Guidelines

- (a) This policy is an internal policy for disclosing wrongful/unethical/improper acts which are considered to be in deviation of the Code of Conduct. Reporting under the Policy is critical for early detection, proper investigation and remediation and deterrence of violations of Company policies or applicable laws and regulations.
- (b) The Company shall ensure to maintain the confidentiality of the Whistle Blower and also shall ensure to provide complete protection from any kind of unfair treatment for disclosing in good faith any unethical or improper practices or alleged wrongful conduct. It will be ensured that the Whistle Blower and/or the employee and / or director, processing or investigating or assisting in the investigation of the Protected Disclosure is not victimized.
- (c) Incidents of retaliation against the Whistle Blower or person investigating the matter or assisting in the investigation would be taken seriously by the Company and will result in appropriate disciplinary action against the official responsible.
- (d) This policy should not be used as a defense or a mechanism to mislead the company against a legitimate action initiated. The Company encourages disclosures in good faith but any false allegations of alleged wrongful conduct and / repeated frivolous complaints being filled by a employee or director shall be subject to disciplinary action against the concerned employee or director including reprimand.
- (e) In case any member of the Audit Committee have a conflict of interest, in any given matter reported to the Audit Committee, the said member should not participate in the discussion/ investigation relating to the said matter/s.

The remaining members of the Audit Committee shall be authorized to deal with the said matter/s.

5. Procedures for reporting Protected Disclosures(PD)

- (a) The Protected Disclosures shall be made in writing.
- (b) All Protected Disclosures relating to employees at the levels of Functional Heads and / or Vice Presidents (VPs) and above shall be made and addressed to the Chief Executive Officer (CEO) of the Company. In respect of Protected Disclosures relating to Chief Financial Officer / Chief Executive Officer / Director(s) shall be directly addressed to the Chairman of Audit Committee.
- (c) All Protected Disclosures relating to employees below the level of Functional Heads and or VP(s) shall be made and addressed to the Ethics Officer.
- (d) The contact details of the Ethics Officer / C.E.O. / Chairman of Audit committee is as under :

Ethics Officer :

Head HR :- E-mail id : ethicsofficer@avanse.com

C.E.O:

E-mail id : ceo@avanse.com

Chairman of Audit Committee:

Email id: chairman.ac@avanse.com

OR

Chairman of Audit Committee

Avanse Financial Services Ltd 001 & 002 Fulcrum,

A wing Ground Floor, Sahar Road Next to Hyatt Regency

Andheri (East), Mumbai – 400 099

- (e) A report on the Protected Disclosures (other than those directly being reported to the Chairman of Audit Committee) shall be submitted to the Chairman of the Audit Committee on quarterly basis with an update on the status of the investigation being made in each matter.

6. Investigation Process

- (a) On receipt of Protected Disclosure, the concerned authority may appoint/authorize an investigator/group of investigators or department personnel to investigate into such acts. The concerned authority may, depending on the protected disclosure received, outline the detailed procedure and scope for the conduct of such investigation.
- (b) Subject shall be informed of the allegation at the time when the concerned authority 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.
- (c) The concerned authority shall have the right to call for information/document and/or examination of any employee (including the Subject and Whistle Blower) as they may deem necessary in the process of investigation.
- (d) It is expected that the Subject co-operates with the concerned authority or the authorized person appointed to conduct investigation. The Subject shall not interfere in the investigation process by non-cooperation, malafide intent, undue influence or tampering record/evidence;
- (e) The disciplinary or corrective action as decided by the concerned authority would be in line with the Code of Conduct or other applicable personnel or staff conduct and disciplinary policies/processes in place.
- (f) The Ethics Officer shall be responsible for retaining the copies of all protected disclosures and investigation relating thereto for a minimum period of 10 years.

7. 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.