

## LIC HOUSING FINANCE LIMITED

### Whistle Blower Policy

#### **Preface:**

LIC Housing Finance Limited believes and adheres to conduct its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. 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') made by him or her 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 / Vigil Mechanism is formulated in terms of the Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant provisions under Section 177(9 & 10) of the Companies Act, 2013 and the rules made thereunder.

#### **Purpose of the 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. It 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.

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.

#### **Scope of the policy:**

The main emphasis is on 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 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 Company's interest is affected and formally reported by whistle blowers concerning its employees.

It also covers illegal activities, malpractices 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.  
The Policy shall also authorize the employees to report any instance of the leak of Unpublished Price Sensitive Information (UPSI) to the Nodal Officer of the Company. Unpublished Price Sensitive Information means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available is likely to materially affect the price of the Securities of the Company.

#### **Definitions:**

**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.

**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 the Company. 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.

**Whistle Blower** means an employee or group of employees who make a Protected Disclosure and also referred in this policy as complainant.

**Subject** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

**Nodal Officer** will be the Special Officer for the purpose of receiving all complaints and ensuring appropriate action. The Managing Director & CEO shall have the authority to appoint the Nodal Officer from time to time.

**Audit Committee:** A Committee of Board of Directors constituted or reconstituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 or under the earlier Companies Act, 1956 and read with Regulation 4(2)(d)(iv) of SEBI (Listing Obligations and Disclosure Requirements), 2015 as may be applicable

having its Corporate Office at 131 Maker Towers, “F” Premises, 13<sup>th</sup> Floor, Cuffe Parade - 400005.

**Whistle Blower/ Complainant** 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** means an employee against whom a complaint is lodged.

**Company** means LIC Housing Finance Limited.

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

**Employee** means every employee (probationer, confirmed and on deputation) of the Company.

**Eligibility:**

All LIC Housing Finance employees are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

**Misuse:**

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, complainants are advised against abuse of this protection. In order to ensure that this policy is not misused by any Complainant; any false or frivolous concern raised with malafide intention will be viewed seriously by the Company and appropriate disciplinary action against the Complainant may be taken.

**Process of lodging complaint:**

The protected disclosure shall be made in writing.

The complaint shall be sent in a closed or secured envelope.

The envelope shall be addressed to the Chairperson of the Audit Committee and forward the same to the Corporate Office of the Company.

The Complainant shall mention his/ her name and address in the beginning or at the end of the letter or in an attached letter.

The envelope should be subscribed with “Complaint under Whistle Blower Mechanism”.

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 Chairman 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 would be recorded in a Register maintained for the purpose and a complaint number would be allotted and the same as well as the number of pages of the Complaint would be recorded in the Register.

The complainant, Nodal Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

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

**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 Managing Director & CEO which shall be in line with the LIC Housing Finance Limited Staff Terms, Conduct Rules, Etc., 1990 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 shall be placed before the Audit Committee.