

## LIC HOUSING FINANCE LIMITED

### Whistle Blower Policy & Vigil Mechanism

#### 1. Preface:

- a. LIC Housing Finance Limited believes and adheres to conduct its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. To maintain these standards, the Company encourages its employees and stakeholders, who have concerns about suspected misconduct to come forward and express their concerns without fear of unfair treatment or retribution.
- b. The Whistle Blower & Vigil Mechanism policy has been formulated in terms of Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") as also pursuant to the relevant provisions under Section 177(9 & 10) of the Companies Act, 2013 and the rules made thereunder.
- c. Further, Regulation 4(2)(d)(iv) of the Listing Regulations, inter-alia, provides that entities shall devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about any illegal and/or unethical practices.
- d. Accordingly, this Whistle Blower Policy & Vigil Mechanism as part of this Policy has been formulated with a view to provide mechanism for directors, employees as well as other stakeholders of the Company to approach the Chairman of the Audit Committee of the Company.

#### 2. Definitions:

- a. **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 any 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 is possible to enable proper assessment of the nature and magnitude of the concern.
- b. **Whistle Blower** means an employee or group of employees who make a Protected Disclosure who is also referred to in this document as a complainant.
- c. **Subject** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation (*which means an accused / offending employee*)
- d. **Nodal Officer** will be the Special Officer appointed 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.

- e. **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.
- f. **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.
- g. **Company** means LIC Housing Finance Limited.
- h. **Director** means every director appointed on the Board of Directors of the Company.
- i. **Employee** means every employee ( whether probationer, confirmed and on deputation including those working in representative office, in overseas offices) of the Company.
- j. **Stakeholders** means and includes borrowers, co-borrowers, depositors, key partners, direct selling agents, recovery agents, vendors, business associates, direct marketing executives and public at large collectively referred to as Stakeholders.
- k. **Senior Management Personnel** means all the employees above the Cadre of Chief manager, the Regional Heads at the Regional Offices of the Company and shall also include Head of the Departments at Corporate Office and the Regional Managers at the Regional Offices, directly reporting to the Managing Director and Chief Executive Officer of the Company.

### 3. Purpose of the Policy:

- a. The Company resolutely believes that its employees are its greatest assets and their feedback and suggestions are valued highly. However, there could be some deterrents that may stop an employee from reporting their concern / violation directly and therefore in such scenario it is very crucial for the Company to remain approachable and be vigilant at all times. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It aims to provide an avenue for its employees to raise concerns about unethical behavior, actual or suspected fraud or violation of Company's Conduct Rules, violations of legal or regulatory requirements, abuse of power and authority, incorrect or misrepresentation of any statements, reports, etc.
- b. 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 provides for direct access to the chairperson of the Audit Committee in appropriate/exceptional cases.

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

**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 Company's interest is affected and formally reported by whistle blowers concerning its employees.

**In addition to the above, It also covers illegal activities, malpractices and instances as indicated below which are some examples of Reportable Concerns under this Policy included but not limited to the following genuine matters and allows the whistle blower, to report the same to the Audit Committee;**

- a. Misrepresentation of facts or falsification of records/ reports of the company;
- b. Misuse of Company Assets/Funds (E.g. Forged bills, personal use of company assets etc.);
- c. Pilferation of confidential information to advance personal interests;
- d. Dual employment directly or indirectly affecting the interest of the company;
- e. Misuse of customer's money in any form (E.g. taking unauthorized money/gifts or offer of entertainment from customers etc.);
- f. Any undue favour to the customers for personal gains (E.g. Forging of documents, deliberately hiding important facts etc.);
- g. Misusing/taking advantages of functional procedural lapse including misrepresentation of the facts;
- h. Indulgence in any unlawful act involving violation of any criminal/civil law/ legislations;
- i. Breach of Company Policies; Dangerous Practices likely to cause physical harm/damage to any person/property;
- j. Manipulation of Company's data/records; Abuse of power or authority for any unauthorized or ulterior purpose;
- k. Unfair discrimination, coercion, harassment in the course of employment or provision of service.
- l. Offering or accepting a bribe;
- m. Engaging in or threatening to engage in detrimental conduct against a person who has made a Reportable Concern or is believed or suspected to have made or be planning to make a Reportable Concern;
- n. 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.

**5. The Policy will not cover the following types of complaints which if made, will not be considered under this Policy:**

- a. Complaints that are vague or incoherent.
- b. Complaints which are frivolous and unsubstantiated.
- c. Anonymous/ Pseudonymous complaints unless otherwise determined by Chairman of the Audit Committee;
- d. Matters which are pending before a court of law, tribunal, other quasi- judicial bodies or any governmental authority;
- e. Matters related to share price of the Company
- f. General Customer Complaints
- g. An interpersonal conflict between two employees, or
- h. A decision relating to employment or engagement of employees, such as transfer, promotion, posting, increments, late working hours or disciplinary action, or
- i. Allegations relating to sexual harassment since such complaints are required to be dealt in accordance with Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace.

**6. Eligibility:**

All employees, directors and stakeholders of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

The Company assures appropriate action for any concern reported by directors, employees or other stakeholders through the whistle blowing mechanism.

**7. Vigil Mechanism / Procedure for lodging/receiving Protected Disclosures under the Policy:**

**a. Pre-requisite:**

Prior to making a complaint or reporting concern, the Complainant should satisfy himself or herself that he / she has reasonable grounds to suspect the concerned reportable concern, i.e. there should be objective reasonableness of the reasons for the suspicion. However, a Complainant is not required to prove the Reportable Concern or allegation.

**b. Information required to be provided:**

The Complainant (whistle blower) at the time of lodging a complaint or reportable concern should provide as much as details as possible so as to assist in proper investigation of the matter and these details could include:

- Name of the person(s) involved;
- Their roles / designation in the company;
- Relationship of the Complainant with the person(s) involved;
- General nature of the reportable concern;
- How did the Complainant became aware of the matter;
- Possible witness, etc.

Further, the complainant (whistle blower) shall provide all such details that may be sought from him / her during the course of the investigation or otherwise.

**c. Channels for making Protected Disclosures:**

Following channels are available for making protected disclosures:

The protected disclosure can be made to the Nodal Officer appointed under this policy or the Chairman of the Audit Committee. Their contact details are as under:

**Nodal Officer**

131, Maker Tower, "F" Premises, Cuffe Parade, Mumbai - 400005

Email: [whistleblower@lichousing.com](mailto:whistleblower@lichousing.com)

**Chairman of the Audit Committee**

Parijaat 9th floor flat no. 91,24A Shakespeare Sarani Kolkata-700017

Email: [auditchairman@lichousing.com](mailto:auditchairman@lichousing.com)

In addition to the above, the protected disclosure can also be made to the General Manager (HR) at the Corporate Office of the Company.

**d. Procedure:**

- a. The protected disclosure shall be made in writing so as to ensure a clear understanding of the issues raised and should be typed or written in legible handwriting in English or Hindi or in the regional language of the place of employment of the Complainant (Whistle bower).
- b. The complaint / reportable concern which is a protected disclosure shall be sent in a closed or secured envelope. The envelope should be subscribed with "Complaint under Whistle Blower Mechanism".
- c. All protected disclosures concerning financial/ accounting matters shall be preferably addressed to the Chairman of the Audit Committee of the Company for investigation.
- d. Similarly, all protected disclosures relating to the Nodal Officer appointed under this policy and the Senior Management Personnel, should preferably addressed to the Chairman of the Audit Committee of the Company.
- e. Other protected disclosures can be made to the Nodal Officer or to the General Manager (HR) at the Corporate Office.
- f. In case a Whistleblower is not satisfied with the action taken on the protected disclosure submitted to the Nodal Officer or the General Manager (HR), then he/she may write to the Chairman of the Audit Committee with details of his/her Protected Disclosure and reason for dissatisfaction. The Chairman of the Audit Committee will take appropriate steps after consultation with the other members of the Audit Committee. The decision of the Audit Committee shall be final for such cases.
- g. The envelope shall be addressed to the Nodal Officer/ General Manager (HR) at the Corporate Office or the Chairperson of the Audit Committee
- h. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the whistle bower. The Nodal Officer/ General Manager (HR) or the Chairman of the Audit Committee as the case may be, shall detach the covering letter and forward only the protected disclosure to the investigators for investigation. In case the protected disclosure is received through E-mail, relevant extracts of the Email containing protected disclosure shall only be forwarded for investigation without revealing the source of the E-mail.

- i. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures are not encouraged as it would not be possible to interview the Whistle blowers. However, when an anonymous Whistle blower provides specific and credible information that supports the complaint, such as alleged perpetrators, location and type of incident, names of other personnel aware of the issue, specific evidence, amounts involved etc. while choosing to maintain anonymity, then there are often sufficient grounds for the Company to consider an investigation into the complaint.
- j. In case a reportable concern or complaint is lodged with the reporting manager / manager operations / regional manager, the said concern shall promptly forward to the GM (HR) or the Nodal Officer appointed by Managing Director & CEO for further action. In case the reportable concern pertains to point c, d and f above shall then refer the same to the Chairman of the Audit Committee.
- k. Protected Disclosures should be factual and not speculative or in the nature of a conclusion and should contain as specific information as possible (names of individuals, names of entities, date of incident, place of incident, document reference numbers like, application number, loan account number, etc.) to allow for proper assessment of the nature and extent of the concern.
- l. All the reportable concerns / complainants shall be entered in the Register of Whistle blower complaints which shall be maintained by GM(HR) and the said register shall be conclusive evidence of the number of whistle blower complaints received by the Company.

## **8. Investigation & Redressal:**

### **A. Procedure for all reportable concerns**

- a. An internal committee constituting the Nodal Officer, General Manager (HR) and such other members as may be appointed by the Managing Director & CEO to deal with the reportable concerns directed to the Nodal Officer or the General Manager (HR).
- b. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Internal Committee / Chairman of the Audit Committee of the Company under the authorization of the Audit Committee. If any member of the Audit Committee or the Internal Committee has a conflict of interest in any given case, then he/she will be recused and the other members of the Audit Committee will deal with the matter on hand.
- c. The Internal Committee or the Chairman of the Audit Committee may at their discretion 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.
- d. The decision to conduct an investigation taken by the Internal Committee/ Chairman 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 whistle blower that an improper or unethical act was committed.

- e. The Investigator so authorised may also check if the Whistle blower is willing to disclose his identity to make the communication process direct, smooth, and more meaningful and less time consuming. Depending on the Complainant agreeing to disclose his identity, the investigator shall meet him / her and conduct their investigations in any case.
- f. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- g. Subject shall be informed of the allegation at the time when the Internal Committee/ 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.
- h. Subjects shall have a duty to co-operate with the Internal Committee/ Chairman 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.
- i. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and / or members of the Internal Committee or the Audit Committee and / or the whistle blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- j. 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.
- k. 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 wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- l. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject could be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- m. Depending on the prevailing circumstances, availability of data and other factors relevant to the Protected Disclosure made, attempt will be made to complete the investigation within 52 working days of the receipt of concern (45 working days for completion of investigation and 7 working days for submission of report).
- n. 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.

- o. The Whistleblower, Subject, Investigators, Witnesses and everyone involved in the investigation process shall maintain complete confidentiality of the case, during and after the completion of the same.

**B. In case of fraud related concern:**

- a. In case the reportable concern relates to an actual or suspected fraud, the matter shall be referred to the 'Corporate Office Fraud Report Committee' which shall take necessary steps as detailed in the terms of reference or scope of 'Corporate Office Fraud Report Committee'.
- b. The 'Corporate Office Fraud Report Committee' may report the outcome of the investigation to the Audit Committee. 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.

**C. In case of personal grievances:**

In case of receipt of personal grievances as mentioned in 4 above, the same shall be forwarded to Nodal Officer who shall under the guidance of Managing Director & CEO forward to GM (HR) for internal investigation / verification as the case may be and seek appropriate action from the Internal Committee.

**D. In case of serious complaints:**

**I. What constitutes 'serious complaints'?**

The legitimate power of determining whether a reportable concern is a serious concern or not shall be decided by the following:

- In respect of reportable concern lodged with the Management – Managing Director & CEO under the guidance of Senior Officials of Company. Managing Director & CEO may authorise decide and authorise such senior officials.
- In respect of reportable concern lodged with the Chairman of the Audit Committee –  
The Chairman of the Audit Committee along with other members, if he so deems necessary.

The guiding principle for determining whether a reportable concern is a serious complaint or not is **whether the complaint if found to be true, could result in any of the following:**

- ❖ Material misstatement in standalone or consolidated financial statement of the Company;
- ❖ Integrity issue on part of the Senior Management of the Company.

While considering whether any misstatement in financial statements is material or not, the authority as mentioned above shall have due regard to the fact whether the misstatement was erroneous or whether there was malafide intent

of deceiving the investors and public at large.

For the purpose of this policy, the term Senior Management shall mean and include KMP and such other employee(s) as the Board of Directors and / or Audit Committee may decide from time to time.

**i. Method of dealing with serious complaints**

In case a serious complaint is received by any person within the Company, the same shall be immediately forwarded to the Chairman of the Audit Committee. However, the minimum details of all the serious complaints shall be provided by the Management to the GM(HR) who shall be responsible for entering such complaints in the Register of Whistle Blower Complaints maintained by HR.

Depending upon the seriousness of the complaint, the Chairman of the Audit Committee would decide on the next course of action including constitution of a special committee to investigate the matter. The special committee shall have the same powers as the Committee or may derive such power from the Committee and may include such member(s) as may be decided by the Chairman/ Members of the Audit Committee.

If during the course of its investigation, the special committee is of the view that the serious complaint may have a certain degree of merit and if found to be true is likely to materially affect the price of securities of the Company, it shall instruct the Company Secretary & Compliance Officer to ensure that the trading window is closed for such persons who are aware of the complaint as well as the investigation findings. The special committee shall submit a report of its findings to the Chairman of the Audit and Governance Committee within a period of 4 weeks. Based on the said report, the opinion of the Chairman/ Members of the Audit Committee shall be conclusive in the matter.

**ii. Reporting of serious complaints to stock exchanges**

If after the completion of the preliminary investigation, the Audit Committee in good faith is of the unanimous view that there is an indication of the complaint being true, which might affect the operations / financials of the Company in a way that can affect the share price of the Company and that the same is required to be reported at that stage, then requisite disclosures shall be made to the stock exchanges, in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with the Policy for determination of an Event or Information formulated by the Company. This disclosure would be reported with a qualification "subject to final outcome of the investigations" and would contain only the facts of such complaints.

In case a complaint is received by the Company from the Securities and Exchange Board of India/ Stock Exchanges or the Reserve Bank of India/ National Housing Bank or any other such authority (to whom the Whistleblower may have written), the outcome of the investigation along with the action to be taken by the Company if any, shall be submitted to the concerned regulator / authority, on a confidential basis. If the regulator so directs, only then the Company would make the complaint

and outcome of investigation, public.

**9. Investigators:**

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- c. 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.

**10. Confidentiality mechanism of whistle blower:**

The complaints received under this policy 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 Register of Whistle blower complaints maintained for the purpose and a complaint number would be allotted and the same 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.

**10. Protection to whistle blower:**

- a. The company will protect the confidentiality of the complainant and their names and identity will not be disclosed, unless statutorily required under any law.
- b. No unfair treatment will be meted out to a Whistleblower by virtue of him/her having reported a Protected Disclosure under this Policy. No adverse penal action shall be taken or recommended against an employee in retaliation to his / her disclosure done 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, serious view will be taken including departmental action on such persons victimizing the whistle blower.

- c. 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.
- d. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistle blower.
- e. A Whistleblower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

**11. Decision:**

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Management shall recommend appropriate disciplinary or corrective action to the Chairman of the Audit Committee for his consideration and approval. 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 in line with the LIC Housing Finance Limited Staff Terms, Conduct Rules, Etc., 1990.

**12. Misuse:**

- a. 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.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle blower knowing it to be false or bogus or with a *mala fide* intention.
- c. The Company / Audit Committee would reserve its right to take / recommend appropriate disciplinary action against Whistle blowers who make three or more Protected Disclosures, which have been subsequently found to be *mala fide*, frivolous, baseless, malicious, or reported otherwise than in good faith.

**13. 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 on the website of the Company.

**14. Retention of documents:**

All the relevant disclosure or complaints made in writing along with the results of the investigation shall be retained by the Nodal Officer for records and future reference in a sealed cover with proper reference numbering for a minimum period of 5 years.

**15. Quarterly report submission:**

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

The Whistle Blower Policy / Vigil Mechanism will be displayed on the website of the Company.

**16. Review:**

This Policy shall be reviewed by the Audit Committee at least once a year.