

# **AVENDUS FINANCE PRIVATE LIMITED**

## **WHISTLE BLOWER POLICY**

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1.1	February 01, 2021	Secretarial Team	Board of Directors	Operational Changes
1.2	February 11, 2022	Secretarial Team	Board of Directors	Changes as required under SEBI Listing Regulations
1.3	February 13, 2023	Secretarial Team	Board of Directors	Annual Review with minor administrative changes

## I. Preface

Section 177 of the Companies Act, 2013 and the Rules thereunder, prescribes that (a) every listed company, (b) the Companies which accepts deposits from the public and (c) the Companies which have borrowed money from banks and public financial institutions in excess of Rupees Fifty Crores, shall establish a Vigil Mechanism for the directors and employees of such company to report genuine concerns or grievances.

Further, Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, also stipulates a mandatory requirement for the Listed Companies to set up whistle blower / vigil mechanism for all its Stakeholders, through which all the Directors and employees can report their genuine concerns and actual / potential violations to the designated officials of the Company fearlessly.

Avendus Finance Private Limited ("AFPL") believes in the conduct of its business with integrity and in compliance with all applicable laws, rules and regulations, and the policies and procedures of AFPL. Accordingly, this Whistleblower Policy & Vigil Mechanism (the "Policy") has been formulated with a view to provide a mechanism for directors and employees of AFPL to approach the Chairman of the Audit Committee, and to provide an avenue for, raising concerns and reporting any allegations of misconduct or noncompliance in an anonymous and confidential way and prohibits retaliation against anyone who, in good faith, makes a report or provides assistance.

## II. Definitions

The definitions of some of the key terms used in this Policy are set out below.

- a) "Audit Committee" means the Audit Committee of Directors constituted by the Board of Directors of AFPL in accordance with Section 177 of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- b) "Employee" means every employee of AFPL (whether working in India or abroad), including the directors in the employment of AFPL.
- c) "Director" means every Director of AFPL, past or present.
- d) "Investigators" mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of AFPL and the police.
- e) "Management" means the officers of AFPL who are in a management role in AFPL.
- f) "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical activity as set out in Section IV .
- 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) "Whistleblower" means an Employee or Director making a Protected Disclosure under this Policy.
- i) "Whistle Officer" means Chairman of the Audit Committee or MD of the Company.
- j) "Alleged wrongful conduct" shall mean and include but not limit to violation of law, infringement of Company's rules, Codes & Policies, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority, criminal offence, unethical business conduct, misuse of authority, manipulation/ tampering of official documents, distorting the financial records, falsely representing the Company.

### **III. Date of Implementation**

This Whistle Blower Policy comes into force from May 04, 2018.

### **IV. Scope**

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 the interest of the Company is affected and formally reported by Whistle Blowers concerning its employees. Specific examples will include:

- Criminal Offences (corporate fraud, corruption, bribery or theft), which have been or are likely to be committed;
- Unethical business conduct and serious irregularities, regulatory or financial;
- Conflict of business interest including Non-disclosure of conflict of business interest or indulging in insider trading;
- Misuse of Company assets;
- Misuse of authority;
- Wilful suppression of facts;
- Funds being used in any unauthorized manner;
- Mis-Statement in the Company's financial records and distorting the true nature of the transaction;
- Falsification of transactions/ documents;
- Miscarriage of justice or any injustice which has been or is likely to be done;
- Health or Safety of any individual/ employee is likely to be endangered;
- Discrimination occurring to any member of the staff such as favouritism, communal bias, sexual harassment etc;
- Actions exceeding the authority granted in the day to day course of business;
- Any other form of improper action or conduct

### **V. Eligibility:**

All Employees and Directors of AFPL are eligible to make Protected Disclosure under this Policy. The Protected Disclosure must be in relation to matters concerning AFPL.

### **VI. Disqualifications**

- a. While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as set out herein, 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 Whistleblower knowing it to be false or bogus or with a mala fide intention.
- c. Whistleblowers, who make three or more Protected Disclosure, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosure under this Policy. In respect of such Whistleblowers, the Audit Committee has the right to take/recommend appropriate disciplinary actions.

## **VII. How Whistleblower can make Protected Disclosure**

### **A. Reporting**

Whistleblowers may make Protected Disclosure to the Chairman of the Audit Committee or to any of the Directors nominated to the Audit Committee with respect to the any of the following issues:

- 1) questionable accounting, internal accounting controls and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of AFPL's accounting policies;
- 2) compliance with legal and regulatory requirements; or
- 3) retaliation against employees who make Protect Disclosure in connection with the issues described in sub-clauses (1) and (2) above; or
- 4) any other Protected Disclosure concerning AFPL.

### **B. Methods to make Protected Disclosure**

Protected Disclosure may be made in various ways.

- 1. In Writing/ Email or In Person: A disclosure should be made in writing or by email. Letters can be submitted by hand delivery, courier or post address to the Whistle Officer appointed by the company as given below.
- 2. The disclosure may be made with the following details.
  - a. Name, address and contact details of the Whistleblower. In case if an employee, employee code if any.
  - b. Brief Description of the malpractices, name of those alleged to committed such malpractices, specific details of events etc.
  - c. The letter should be given in sealed envelope or by email addressed to the Whistle Officer.
- 3. A Whistleblower may make a Protected Disclosure by contacting the below Whistle Officer: The contact details of the Chairman of the Audit Committee are as under:

Audit Committee Chairman, Avendus Finance Private Limited  
The IL&FS Financial Centre, 6th floor, C& D Quadrant,  
Bandra Kurla Complex, Bandra (East), Mumbai 400063  
Email ID : [afpl.auditcommittee@avendus.com](mailto:afpl.auditcommittee@avendus.com)

The contact details of the Managing Director & CEO of the Company is as under:

Aventus Finance Private Limited  
The IL&FS Financial Centre,  
6th floor, C& D Quadrant,  
Bandra Kurla Complex  
Bandra (East), Mumbai 400063  
Email ID: [kaushal.aggarwal@avendus.com](mailto:kaushal.aggarwal@avendus.com)

4. The Protected Disclosure should be factual and should not be speculative. It should contain specific information so as to allow the proper assessment of the nature and extent of the concern.
5. The identity of whistleblower may be disclosed. However, anonymous disclosures will also be entertained. In case, of anonymous disclosure, such Whistle blower may not be able to sought protection under this policy or appear for any personal hearing.

### **VIII. Procedures when Protected Disclosure are received**

1. Any Protected Disclosure that is made directly to the Chairman of the Audit Committee, whether openly, confidentially or anonymously, shall be promptly reported to the Audit Committee.
2. Each Protected Disclosure forwarded to the Audit Committee by Management and each Protected Disclosure that is made directly to the Audit Committee, whether openly, confidentially or anonymously, shall be reviewed by the Audit Committee, who may, in their discretion, consult with any member of Management who may have appropriate expertise to assist the Audit Committee in connection with its review.
  - a. If the Audit Committee determines that Management should investigate the Protected Disclosure, the Audit Committee will notify the Compliance Officer or his designee of that conclusion. Management shall thereafter promptly investigate the Protected Disclosure and shall report the results of its investigation to the Audit Committee. Management shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.
  - b. If the Audit Committee determines that it should investigate the Protected Disclosure, the Audit Committee shall promptly determine what professional assistance, if any, it may need in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage, at the expense of AFPL, outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand.

3. In the discretion of the Audit Committee, responsibilities of the Audit Committee created by these procedures may be delegated to the Chairman of the Audit Committee or to a subcommittee of the Audit Committee, if any.

## **IX. Investigation**

- a. The decision to conduct an investigation taken by the 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 Whistleblower that an improper or unethical act was committed.
- b. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- c. Subjects will normally be informed of the allegations at the outset of a formal investigation and be given opportunities for providing their inputs at the appropriate time during the investigation.
- d. Subjects shall have a duty to co-operate with the Chairman of the Audit Committee, Management 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.
- e. Subjects have a right to consult with a person or persons of their choice, other than the members of the Audit Committee and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- f. 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.
- g. 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 wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- h. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and AFPL.
- i. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure, unless the Audit Committee determines that more time is needed.

## **X. Protection of Whistleblowers**

1. Consistent with the policies of AFPL, none of the Board of Directors, the Audit Committee, any other committee of the Board of Directors or any other person or group shall retaliate, or tolerate any retaliation by the Board of Directors, the Audit Committee, any other committee of the Board of Directors or any other person or group, directly or indirectly, against anyone who, in good faith, makes a Protected Disclosure or provides assistance to the Audit Committee or any other person or group, including any governmental, regulatory or law enforcement body, investigating Protected Disclosure. Unless compelled by judicial or other legal or regulatory process or as necessary to fully investigate a particular matter, the Audit Committee shall not reveal the identity of any person who makes Protected Disclosure and who asks that his or her identity as the person who made such Protected Disclosure remain confidential and shall not make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of any person who makes Protected Disclosure anonymously.

2. Furthermore, AFPL shall not enforce any confidentiality agreement that prohibits a party to such agreement from reporting possible violations of any local law or regulation to any governmental agency or entity or making other disclosures to the extent protected under the whistleblower provisions of the local Indian laws or regulation (or comparable laws or regulations that similarly prohibit the impediment of such protected disclosure). Notwithstanding the foregoing, AFPL does not authorize the waiver of (or the disclosure of information covered by) the attorney-client privilege or work product protection or any other privilege or protection belonging to AFPL, to the fullest extent permitted by law.

## **XI. 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 behavior, and observance of legal and professional standards.
- c) Investigations will be launched only after a preliminary review which establishes that:
  - i. the alleged act may constitute 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.

## **XII. Decision of the Audit Committee**

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall direct Management to take such disciplinary or corrective action against the Subject as the Audit Committee deems fit. 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. The decision of the Audit Committee shall be final in respect of the Protected Disclosure.

## **XIII. Reporting by the Audit Committee**

The Audit Committee shall submit a report to Board on a regular basis about all Protected Disclosure referred to the Audit Committee since the last report together with the results of investigations, if any, unless the Audit Committee determines that disclosing such information to Board will prejudice the on-going investigation of any Protected Disclosure.

## **XIV. Retention of Documents**

The Audit Committee shall retain for a period of seven years all records relating to any Protected Disclosure and the investigation thereof.

**XV. Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding unless approved by the Audit Committee and Board of Directors of the Company and the modified Policy being placed on the website of the Company.

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