



VIGIL MECHANISM / WHISTLE BLOWER POLICY

**SITAARA Housing Finance Limited
(Formerly known as SEWA Grih
Rin Limited)**

Version	Approved On	Prepared By	Comment/ Remarks/ Changes
01	30th January 2020	Ms. Preeti Singh, Company Secretary	First Version of the Policy Document
02	21 st June 2023	Compliance Team	Annual Review of the Policy Document
03	08th August 2024	Compliance Team	Policy document reviewed as a part of annual review and for incorporating changes suggested by BII.
04	13 th August 2025	Compliance Team	Annual Review with some cosmetic changes.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

REGULATORY FRAMEWORK

The Policy takes into account the regulatory requirement as given under Section 177 of Companies Act, 2013, read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.

POLICY OBJECTIVES

The Company is committed to maintain the highest standard of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express their concern without fear of punishment or unfair treatment. A Vigil Mechanism provides a channel to the employees to report to the management about unethical behavior, actual or suspected fraud, etc. This mechanism shall provide adequate safeguards against victimization of whistle blower and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Provided however that the employees should maintain their duty of confidentiality in course of their duty to perform and do not raise any malicious or unfounded allegations against people in authority and/or against colleagues.

ELIGIBILITY

All the employees, all members of Board of Directors (hereinafter “BoD”), consultants, interns, trainees, or any other third party acting on behalf of the SITAARA or performs any services for or on behalf of the SITAARA (hereinafter together referred as “Staff”) are eligible to make protected disclosure under the Policy in relation to matters concerning the Company.

DEFINITIONS

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

"Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company.

"Code" means Fair Practices Code, Code of Conduct pertaining to all employees, Code of Conduct pertaining to the Directors, or any other Code as may be prescribed by the Company and/or any other act, rules, etc. and as amended from time to time.

“Director” means a director appointed to the Board of a Company and as defined under the Companies Act, 2013 and Share Subscription & Shareholders’ Agreement.

“Ethics Committee” (including its subcommittees thereof): means a Committee constituted by the Board of Directors/ Audit Committee for receiving Protected Disclosures/Reports/Complaints (“Protected Disclosure/s”) from Whistle Blowers, making inquiries and/or investigation on the Disclosures and recommending its findings/appropriate action to the Audit Committee. All the complaints received will be under the purview of Ethics Committee. The Ethics Committee shall comprise of Chief Compliance Officer (CCO), Chief Risk Officer (CRO) and Chief Human Resources Officer (CHRO). The Audit Committee reserves the right to modify the composition of the Ethics Committee as deem fit.

"Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity within the Company. Protected Disclosures should be factual and not speculative in nature and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

"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.

"Whistle Blower" any Staff who makes or attempts to make a protected disclosure as defined above.

"Whistle Blowing" the deliberate, voluntary and protected disclosure of individual or organizational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by the organization that is within its ability to control.

SCOPE

The Policy covers malpractices and events which have taken place/suspected to take place involving (indicative list):

1. Abuse of authority;
2. Breach of Company's Code/ Policies;
3. Negligence causing substantial and specific danger to public good;
4. Manipulation/ misuse of Company's data/records/ assets/ funds;
5. Financial irregularities, including fraud or suspected fraud or deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or misrepresentation of financial reports;
6. Any unlawful act whether Regulatory/Criminal/ Civil;
7. Deliberate violation of law/regulation, ethics, business integrity, terms and conditions of employment;
8. Corruption & bribery;
9. Actions not specifically mentioned here but have been mentioned in the Policy, as defined, would also be covered;
10. Any other actions that are detrimental to the interest and reputation of the Company;
11. Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Ethics Committee or the Chairman of the Audit Committee or the Investigators.

The grievances related to sexual harassment at workplace are to be referred to the Committee constituted for this purpose under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

This Policy should not be used for raising malicious or unfounded allegations against colleagues.

Complaints associated with (i) any grievance or issues related to employment, (ii) superior-subordinate relationship, (iii) relationship with peers, (iv) unsatisfactory probation reports, (v) performance evaluations, and alike, would not be covered under this Policy. Such cases need to be referred to the Human Resource Department of the Company and redressed through the mechanisms established by Human Resource Department of the Company.

REPORTING RESPONSIBILITY/ PROCEDURE

The Whistleblowers/ Staff are expected to speak up and bring forward the concerns or complaints about actual or possible violation or concerns or complaints which are covered under this Policy.

The Whistle Blower shall make a Protected Disclosure as soon as possible, preferably but within 15 (fifteen) days after becoming aware of any genuine concerns/grievances. Protected Disclosures should be made in writing and can be submitted to the Ethics Committee in following manner:

Email: wb.policy@sitaara.in

By a written letter addressed to Ethics Committee of SITAARA, marked 'Private & Confidential' and delivered to the address set out below:

SITAARA Housing Finance Limited
2nd Floor, Shree Sawan Knowledge Park
D - 507, Turbhe Industrial Area,
Navi Mumbai, Maharashtra - 400705

The above address will be updated as applicable from time to time.

Moreover, only in exceptional cases of complaints against the members of Ethics Committee, the Whistleblower will have a right to make Protected Disclosures directly to the Chairman of the Audit Committee. The Chairman of the Audit Committee may choose to discuss the matter with the Whistleblower prior to initiating any review or investigation and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard. Protected Disclosures should be made in writing and can be submitted in following manner:

Email: chairperson.ac@sitaara.in

Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should be either typed or written in legible handwriting in English or in the regional language of the place of employment of the Whistleblower.

The Protected Disclosure shall be forwarded under a covering letter, which shall bear the identity of the Whistleblower. While the Company will not reject Complaints sent anonymously, Whistle Blowers should be aware that it is difficult to evaluate the credibility of the allegations in such a case or seek further information from the Whistle Blower.

On receipt of Protected Disclosure, the Ethics Committee shall inquire into and/or investigate the Protected Disclosures received under this Policy by means of a neutral fact-finding process.

If any member(s) of the Ethics Committee is conflicted under any Protected Disclosure, such person shall not deal with the matter.

After preliminary assessment, Ethics Committee shall decide whether to act upon the Protected Disclosure received or not. If the Ethics Committee decides not to act upon the Protected Disclosure



under this Policy, the said Committee shall submit a report to the Audit Committee within thirty (30) days of such decision. The Audit Committee shall review the Report & the Protected Disclosure and decide on the Report. If the Audit Committee decides to act further upon the Disclosure under this Policy, then Ethics Committee shall have to follow the investigation / inquiry process.

The Ethics Committee shall have the right to call for any information/document and examination from any Employee or another person, as it may deem appropriate for the purpose of conducting inquiry/investigation. The Ethics Committee shall also have the right to hear the Whistle Blower, witness, or any other person either independently or jointly, as per its sole discretion.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact-finding process. The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure and is extendable by such period as deemed fit by the Ethics Committee / Audit Committee.

Based on investigation / inquiry conducted by Ethics Committee, the Committee will suggest disciplinary or corrective action against the Subject, including but not limited to:

- to reprimand, take Disciplinary Action, impose penalty/punishment, and order recovery when the claim is proved against the alleged person.
- to recommend termination or suspension of any contract or arrangement or transaction vitiated by such violation of the Code of Conduct.
- or any other remedial/action steps.
- such other legal action as the Committee may deem fit.

An update in this regard would be placed before the Audit Committee in their meeting on a quarterly basis. The Audit Committee would be briefed on specific cases and ensure that such complaints are addressed, logically and properly.

Post analysis of the investigation/enquiry and considering the suggestion/ recommendation from Ethics Committee, the Audit Committee will take requisite disciplinary or corrective action against the Subject and can also take legal action, if required.

The decision of the Audit Committee should be considered final and no challenge against the decision would be entertained unless additional information becomes available.

ROLE OF ETHICS COMMITTEE

- I. Conduct investigation/ inquiry in a fair, unbiased manner;
- II. Undertake the fact-finding process;
- III. Maintain strict confidentiality;
- IV. Present the outcome of the investigation, whether an improper practice has been committed and if so by whom, to the Audit Committee;
- V. Recommend/ Suggest an appropriate course of action- suggested disciplinary action, including dismissal and preventive measures to the Audit Committee.
- VI. Document the final report and submit it to the Audit Committee.

DISQUALIFICATION

While this policy is intended to protect genuine Whistle Blowers from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with malafide intentions is strictly prohibited. Anyone who abuses the procedure (for example by maliciously raising a



concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure.

Further, the Company holds a right to take any action against such Whistle Blower who takes such defamatory actions resulting in the loss of repute of the Company. Also, in case of repeated frivolous complaints being filed by Whistle Blower, the Ethics Committee may take suitable action, as it deems fit, against the Whistle Blower including reprimand. However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

TRAINING & DEVELOPMENT

The Company should educate the employees regarding the procedures of raising a complaint under this policy including conduction of proper training of the Staff on an annual basis and on whistle blowing covering objectives, importance, and process for the same.

PROTECTION & CONFIDENTIALITY OF WHISTLE BLOWER & RECORDS

If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation including discrimination, reprisal or harassment in any manner. In particular, the Staff will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:

- a. The communication/ disclosure is made in good faith
- b. He/She reasonably believes that information, and any allegations contained in it, are substantially true;
and
- c. He/She is not acting for personal gain.

Accordingly, the Company strictly prohibits discrimination, retaliation or harassment of any kind against any employee who, based on the employee's reasonable belief that such conduct or practices have occurred or are occurring, reports that information. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

The Company aims to encourage openness and shall support the Staff who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

Where the applicable laws require the records to be kept and maintained for a minimum specified period and/ or in the specified format, the related legal provisions should be strictly followed. All the records should be properly archived and shared on 'need to know' basis by the Human Resource Function of the Company.

Except where applicable laws provided otherwise, Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Human Resource Function of the Company for a minimum period of -seven years.

General Rule and Review

The Board of Directors shall review this Policy at least on yearly basis. In case, there are any regulatory changes requiring modifications to this Policy, the Policy shall be reviewed and amended accordingly.

