

# **FIVE STAR HOUSING FINANCE PVT. LTD.**

## **WHISTLE BLOWER POLICY**

### **Preamble:**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has adopted the "Code of Conduct", which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states:

Any Employee or Director should disclose or demonstrate an evidence of an unethical activity or any conduct that may constitute breach of the Code of Conduct or the Values of the Company. This whistleblower has come to the decision to make a disclosure or express a genuine concern/grievance/allegation, after a lot of thought.

The process is designed to offer protection to the whistleblower (employees and directors) provided that the disclosure made / concern raised / allegations made ("complaint") by a whistleblower is in good faith and the alleged action or non-action, constitutes a genuine and serious breach of what is laid down in the Values and/ or the Code of Conduct of the Company.

FSHF affirms that it will not allow any whistleblower to be victimized for making any complaint. Any kind of victimization of the whistleblower brought to the notice of the Management and will be treated as an act warranting disciplinary action and will be treated-so.

The Company condemns any kind of discrimination, harassment, victimization or any other unfair employment practice adopted against whistleblowers. Complete protection will be given to whistleblowers against any unfair practices like retaliation, threat or intimidation, termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like, including any direct or indirect use of authority to obstruct the whistleblower's right to continue to perform his/her duties/functions in a free and fair manner.

### **Reporting in good faith**

Every Whistle Blower is expected to read and understand this policy and abide by it. It is recommended that any individual who wishes to report, do so after gathering adequate facts/data to substantiate the complaint and not complain merely based on hearsay or rumor. This also means that no action should be taken against the whistleblower, if the complaint was made in good faith, but no misconduct was confirmed on subsequent investigation.

However, if a complaint, after an investigation proves to be frivolous, malicious or made with an ulterior intent, the Management shall take appropriate disciplinary or legal action against the concerned whistleblower.

## **Scope of Reporting**

This policy encourages all Whistle Blowers to report any kind of misuse of company's properties, or mismanagement or wrongful conduct prevailing/executed in the company, which the whistleblower in good faith, believes, evidences any of the following:

1. Violation of any law or regulations, or policies including but not limited to corruption, bribery, theft, fraud, coercion and willful omission.
2. Procurement frauds.
3. Misappropriation of company funds/assets.
4. Manipulation of company data/records.
5. Misappropriating cash/company assets; leaking confidential or proprietary information.
6. Unofficial use of company's property/human assets.
7. Activities violating company policies. (including code of conduct)
8. A substantial and specific danger to public health and safety.
9. An abuse of authority or fraud
10. An act of discrimination or sexual harassment.
11. Any such act, which the whistleblower believes and has evidence of, that is in violation to code of Conduct / Values of the Company.

The above list is illustrative and should not be considered as exhaustive.

## **Procedure**

- a. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- b. In respect of all other Protected Disclosures, those concerning the Ethics, and employees part of the Senior Management team should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Managing Director of the Company.
- c. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Company's Managing Director or the Chairman of the Audit Committee for further appropriate action. Necessary care must be taken to keep the identity of the Whistleblower confidential.
- d. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.
- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistleblower. The Chairman of the Audit Committee / Managing Director, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- g. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistleblowers.

## **Action by Audit Committee/Managing Director**

If charges are substantiated, or the complaint is found correct on investigation, suitable action will be suggested. The following punitive actions could be taken against employees, where the committee finds the accused guilty:

- a. Counseling & a Warning letter

- b. Withholding of promotion / increments
- c. Bar from participating in bonus review cycle
- d. Termination
- e. Legal suit

The above are only suggestive and the Committee / Managing Director may decide on the actions to be taken on a case to case basis depending on the gravity of the offence. If wrongful conduct remains largely unsubstantiated; the committee has the right to close the complaint.

If the case is found to be false and malicious in intent and the whistle blower / complainant has indulged in this knowingly, he/she would be held guilty of misconduct and appropriate action shall be taken. However, the Committee shall distinguish **between mistaken reporting and malicious intent of the complainant.**

The decision of Audit Committee / Managing Director will be binding on the parties involved / parties found guilty of the reported mis-conduct.