



Whistle Blower Policy & Vigil Mechanism

Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)

(Sapne Dekho, Bade Dekho, Hamare Saath Unhe Pura
Hote Dekho)



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1. Introduction

Laxmi India Finance Private Limited (Formerly known as Laxmi India Finleaseap Private Limited) (hereinafter referred as “the Company” or “LIFPL”) “a Non-Banking Financial Company (‘NBFC’) holding a valid Certificate of Registration (“CoR”) with Reserve Bank of India (‘RBI’) vide registration no. B-10.00318 dated March 31, 2023 under current RBI classification as NBFC - Investment and Credit Company (NBFC-ICC) – Non Deposit taking Systemically Important (‘ICC-ND-SI’) with more than 20 years of experience in asset finance business.

It is focused on offering financing of MSME, Loan against property, Vehicle Loan, Loan for Vehicle Insurance, Personal and Business Loan.

2. Regulatory Requirements

The Companies Act 2013 under the provisions of Section 177 read-with Rules made there under (as may be amended from time to time) has mandated that following Companies shall establish a vigil mechanism for directors and employees to report genuine concerns:

- Listed Companies.
- Companies accepting deposits from public.
- Companies that have borrowed moneys from Banks/PFIs in excess of fifty crore rupees.

3. About the policy

Whistle Blower Policy and Vigil Mechanism provides a channel to the employees to report to the management about unethical behavior, actual or suspected fraud or violation, which they are or become aware so that action can be taken immediately to resolve the problem.

Taking into consideration the above requirement, the Company has set-up and adopted the following Vigil Mechanism, which shall provide adequate safeguards against victimization of employees and directors and shall be overseen by Vigilance Officer (Chief Financial Officer- called “CFO”) of the Company.

The Vigil Mechanism of the Company provides direct access to the Chief Financial Officer of the Company. In the case of repeated frivolous complaints being filed by a director or an employee, Chief Financial Officer may take suitable action against the concerned director or employee including reprimanding them.

It covers events which have taken place / suspected to have taken place or may take place in relation to 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/or other activities on account of which the interest of the Company or of the public at large is affected, however, the mechanism does not release the employees from their duty of confidentiality in the course of their work and nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

All Employees and Directors of the Company are covered under the scope of the mechanism in



relation to matters concerning the Company.

4. Procedure

Where any director or employee finds or observes any of the events which have taken place / suspected to have taken place or may take place in relation to 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/or other activities on account of which the interest of the Company get affected shall be reported in writing by the complainant as soon as possible.

a. The Complaint / Grievances shall be submitted in a closed and secured envelope to the Vigilance Officer of the Company i.e., Chief Financial Officer of the Company.

In order to protect identity of the complainant, the Vigilance officer will not issue any acknowledgement to the complainant and the complainants are advised neither to write the name / address of the complainant on the envelope nor to enter into any further correspondence with the Vigilance officer. Vigilance officer assures that in case any further clarification is required they will get in touch with the complainant.

b. All Complaint / Grievances should be addressed to the Vigilance Officer of the Company. The contact details of the Vigilance Officer are as under: -

Chief Financial Officer,
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleaseap Private Limited)
2 DFL, Gopinath Marg
MI Road Jaipur 302001 Rajasthan

c. Complaint / Grievances against the Vigilance Officer should be addressed to the Managing Director. The contact details of the Managing Director are as under:

Managing Director,
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleaseap Private Limited)
2 DFL, Gopinath Marg
MI Road Jaipur 302001 Rajasthan

d. On receipt of the Complaint / Grievances, the Vigilance Officer/ Managing Director, as the case may be, shall make a record of the Complaint / Grievances and may also ascertain from the complainant details for further appropriate investigation and needful action.

5. Investigation

1. All Complaints / Grievances will be recorded and thoroughly investigated. The Chief Financial Officer may investigate and may at its discretion consider involving any other Officer of the Company.



2. Suspect(s) shall co-operate with the Chief Financial Officer or any of the Officers appointed by him in this regard.
3. Suspect(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, threatened or intimidated by the Concerned Person(s).
4. Unless there are compelling reasons not to do so, Suspect(s) will be given the opportunity to respond to material findings contained in the investigation report.
No allegation of wrong doing against a suspect shall be considered as maintainable unless there is good evidence in support of the allegation.
5. Suspect(s) has a right to be informed of the outcome of the investigations.
6. The investigation shall be completed normally within 90 days of the receipt of the Complaint / Grievances and is extendable by such period as the Chief Financial Officer deems fit.

6. Decision and Reporting

1. In case prima facie case exists against the suspect, then Chief Financial Officer shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons in writing. Copy of above decision shall be addressed to the Vigilance Officer, the complainant and the suspect.
2. In case the suspect is a Vigilance officer of the Company, the Complaint / Grievance shall be addressed to the Managing director who, after examining such complaint shall forward the matter to the Board of Directors. The Board of Directors after providing an opportunity to the suspect to explain his position and after completion of investigation shall submit a report along with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Vigilance Officer and the complainant.
3. In case the suspect is any Director of the Company, the Vigilance officer after examining the complaint shall forward the same to the Managing Director and if deemed fit the Managing Director shall appropriately and expeditiously investigate such complaint.
4. A complainant who makes false allegations of unethical and improper practices or about wrongful conduct of the suspect to the Vigilance officer shall be subject to appropriate disciplinary action in accordance with the rules of the Company.
5. If the alleged fraud or misconduct is proven after investigation, the Vigilance Officer may impose such penalty / fine as it may deem fit depending upon nature of fraud or unethical act done by the person.

7. Secrecy / Confidentiality

The complainant, Vigilance officer, the Suspect 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 under this policy for completing the process of investigations.
- c. Not to keep the papers unattended anywhere at any time and shall keep the electronic mails /files under password.



8. Retention of Documents

All complaint / grievance along with the results of Investigation relating thereto, shall be retained by the Vigilance Officer for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

9. Administration of the Policy

The Vigilance Officer shall be responsible for the administration, interpretation and application of this policy.

10. Annual Affirmation

The details of Vigil Mechanism shall be disclosed in the Board of Directors Report every year, subject to the applicable provisions for the time being in force.

11. Receipt and disposal of Protected Disclosures

1. All Protected Disclosures should be reported in writing by the Whistle Blower as soon as he/she becomes aware of the same so as to ensure a clear understanding of the issues raised.

The following types of complaints will ordinarily not be considered and taken up:

- a) Complaints that are Illegible, if handwritten;
- b) Complaints that are vague, with pseudonyms;
- c) Complaints that are trivial or frivolous in nature;
- d) Matters which are pending before a court of Law, State, National Human Rights Commission, Tribunal or any other judiciary or sub judiciary body;
- e) Any matter that is very old from the date on which the act constituting violation is alleged to have been committed;
- f) Issue raised, relates to loan related service matters or personal grievance.

2. All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee/ Managing Director (MD) in exceptional cases. The contact details of the Vigilance Officer are as under: -

Chief Financial Officer/Vigilance Officer,
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleaseap Private Limited)
2 DFL, Gopinath Marg
MI Road Jaipur 302001 Rajasthan

3. Protected Disclosure against the Vigilance Officer should be addressed to the MD or CEO of the Company and the Protected Disclosure against the MD of the Company should be addressed to the Chairman of the Audit Committee.



Name and Address of MD of the Company:

Mr. Deepak Baid
Managing Director,
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)
2 DFL, Gopinath Marg
MI Road Jaipur 302001 Rajasthan

Name and Address of Chairman of Audit Committee:

Mr. Surendra Mehta
Laxmi India Finance Private Limited
(Formerly known as Laxmi India Finleasecap Private Limited)
2 DFL, Gopinath Marg
MI Road Jaipur 302001 Rajasthan

4. On receipt of the protected disclosure, the Vigilance Officer / Chairman of the Audit Committee/ MD, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the Whistle Blower whether he was the person who made the protected disclosure or not. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Details of actions taken by Vigilance Officer / Chairman of the Audit Committee/ MD for processing the complaint;
- d) Findings of the Audit Committee;
- e) The recommendations of the Audit Committee/ other action(s).

5. The Audit Committee, if deems fit, may call for further information or particulars from the Whistle Blower.

6. In case any Unpublished Price Sensitive Information is shared or leaked by any person in contravention of the provisions of the PIT Regulations, such instances may be reported to Vigilance Officer of the Company. Upon receipt of complaint relating to such leakage/suspected leakage of Unpublished Price Sensitive Information, the same would be investigated in accordance with the procedure as detailed in the Insider Trading Code and PIT Regulations.

12. Process of Investigation of Protected Disclosures:

1. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Vigilance Officer of the Company who will investigate / oversee the investigations under the authorization of the Audit committee. The Chairman of Audit Committee / Vigilance Officer may at his/her discretion consider involving any investigators for the purpose of Investigation.

2. The decision to conduct an investigation taken into a Protected Disclosure by itself is not an acceptance of the accusation by the Authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.



3. If any complaint is received under this Policy with respect to any allegation which falls within the ambit of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”), the same will be referred to the Internal Complaints Committee constituted under POSH Act in the Company.
4. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of the investigation.
5. Unless there are compelling reasons not to do so, Subjects will be given reasonable opportunity for hearing their side during the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
6. Subjects shall have a duty to co-operate with the Vigilance Officer / Audit Committee during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
7. Subjects shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.
8. Subjects shall 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.
9. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subjects shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
10. Vigilance Officer shall normally complete the investigation within 60 days of the receipt of protected disclosure.
11. In case allegations against the subject are substantiated by the Vigilance Officer in his/her report, the Audit Committee shall give an opportunity to Subject to explain his/her side.

13. Protection for Whistle Blower

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported Protected Disclosure under this policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of 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 Whistle Blower’s right to continue to perform his/her duties / functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the



procedure, etc.

Whistle Blower 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.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

14. Decision on investigation

If an investigation leads the Vigilance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem 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.

If the report of investigation is not to the satisfaction of the Whistle Blower, the Whistle Blower has the right to report the event to the appropriate legal. A Whistle Blower who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee, shall be subject to appropriate disciplinary action in accordance with the Code, procedures and Policies of the Company.

15. Reporting

The Vigilance officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

16. Review

The Board shall review and amend this policy as and when required.

If at any point a conflict of interpretation / information between the policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.