

Breach of Integrity and Whistle Blower/ Vigil Mechanism Policy



Purpose: This Policy intends to provide a mechanism to Employees, Directors and Stakeholders, connected with the Company to approach and report to identified personnel any unethical and improper practices in the Company.

Grihum Housing Finance Limited

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1. PREFACE

'Integrity is an integral part of the strong value system practiced by Grihum Housing Finance Limited (defined herein below) (hereafter together referred as the “**Company**” or “**Grihum**”) and all Grihum’s Directors, employees and associates are expected to exhibit this ‘Value’ in all our dealings. It is natural, that we have a mechanism to deal with the employees whose activities cast doubts about their integrity. It is also desirable that such issues are escalated to the appropriate level in the Company for suitable action. At the same time, it is important to note that 'Prevention is better than Cure' and hence we should be vigilant so that occasions of breach of integrity are minimized. In fact, if there are frequent integrity breaches in any particular function, it reflects adversely on the quality of supervision in that functional vertical.

Any 'Breach of integrity' and/or fraud is a very important issue for any financial services company like Grihum and so we have evolved a policy guideline to deal with directors, employees, channel partners, customers, service providers or others who are reported to have breached integrity or committed fraudulent act(s).

Anything done or omission thereof by any directors and/or employees, channel partners, customers, service providers directly or in connivance with others, with an intention of cheating the company whether such act or omission has resulted in any actual loss or damage to the company or not, shall be deemed to constitute fraud.

Grihum aspires to grow aggressively which requires a focused approach and calls for taking responsibility and ownership at all levels.

Grihum has always been a process driven organization and to become globally competitive and sustain long term success it needs to build a high level of integrity which is driven by trust and lived by its core values.

In line with Grihum’s commitment to the highest possible standards of professionalism, honesty, ethical, moral and legal behavior for conduct of affairs of the Company towards the employees and outsiders, in fair and transparent manner and its commitment to open communication, this “**Breach of Integrity and Whistle blower/ Vigil Mechanism Policy**” (hereinafter referred to as the “**Policy**”) has been formulated to provide a mechanism to the Directors, employees, senior management personnel and/or professionals serving in any functions and attached to any roles and stakeholders of the Company to approach and report to the Ethics & Disciplinary Committee and/or Officer dealing with Frauds as may be designated for this purpose or any unethical or improper practices in the Company. This Policy also seeks to protect the Whistle Blower from any retaliatory action taken by anyone in the Company including its managerial personnel. While the role played by stakeholders is important, specially, the role of the employees in pointing out such violations cannot be undermined.

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2. DEFINITION

- **“Alleged Wrongful Conduct/Wrongful Conduct”** shall mean violation of law, misuse or abuse of authority, actual Fraud or suspected Fraud, any deliberate concealment of such abuse or Fraud, infringement of Company’s rules, violation of code of conduct, actual or suspected leak of unpublished price sensitive information pursuant to Code of Insider Trading, or an intention to cheat, substantial and specific danger to public health and safety or violation of this Policy.
- **“Audit Committee”** means the Committee constituted under erstwhile Companies Act, 1956 and reconstituted in accordance with Section 177 of the Companies Act, 2013 as amended (“Companies Act”)
- **“Board of Director” or “Board”** in relation to a company, means the collective body of the directors of the Company;
- **“Fraud”** includes:
 - a) An act characterised as such under the provisions of section 447 of the Companies Act;
 - b) In terms of definition provided by the Reserve Bank of India (RBI):

Misappropriation and criminal breach of trust;
Unauthorised credit facilities extended for reward or for illegal gratification; Negligence and cash shortages; ·
Cheating and forgery;
Irregularities in foreign exchange transactions;
Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property.
Any other type of fraud not coming under the specific heads as above
- **“Chief Compliance Officer”** means such person designated by the Board of Directors, from time to time, for the purpose of reporting to the Reserve Bank of India (RBI)/National Housing Bank (NHB) and/or compliances under the various law(s), rules and regulations issued by the RBI/ NHB and as applicable to the Company including any amendment thereto.
- **“Code of Conduct and Discipline Rule”** shall mean Grihum’s Code of Conduct and Discipline Rules.
- **“Code of Conduct for Prevention of Insider Trading by the Designated Persons and their immediate relatives,”** shall mean Grihum’s Code of Conduct for Prevention of Insider Trading by the Designated Persons and their immediate relatives.
- **“Director”** means a Director appointed to the Board of the Company.
- **“Ethics & Disciplinary Action”** for the Employees means any action that can be taken on the

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completion of / during the investigation proceedings including but not limiting to a warning, imposition of penalty, suspension/termination from official duties and for the Stakeholders it shall mean termination of business relationship or any such action as is deemed to be fit by Human Resource (HR) department and/or Ethics & Disciplinary Committee considering the gravity of the matter which shall also include but not limited to legal suits.

➤ **“Ethics & Disciplinary Committee”** shall mean the Committee formed as under:

a. Ethics & Disciplinary Committee:

Sr. No.	Members	Position
1.	Chief Financial Officer	Chairperson
2.	Head HR	Member
3.	Chief Credit & Collection Officer	Member
4.	Chief Business Officer	Member
5.	Chief Risk Officer	Member
6.	Chief Compliance Officer	Member
7.	Chief Operating Officer	Member

The Committee at its discretion shall invite any functional heads whose presence is required to discuss any case, to be present at the meetings of the Ethics & Disciplinary Committee. Such invitees shall have no voting rights.

b. Audit Committee: to look into Whistle Blower cases related to Senior Management Personnel and Directors of the Company;

- **“Employee”** means every person in employment relationship with the Company, including the Directors in employment of the Company, Key Managerial Personnel and Senior Management Personnel of the Company.
- **“Investigator/Investigating Authority”** shall mean such authority as appointed by the Ethics & Disciplinary Committee depending upon the nature and content of Alleged Wrongful Conduct.
- **Key Managerial Personnel** has been defined in section 2(51) of the Companies Act, which shall include;
 - i. The Chief Executive Officer or the Managing Director or the Manager;
 - ii. The Company Secretary;
 - iii. The Whole-Time Director;
 - iv. The Chief Financial Officer;
 - v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board;

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In Grihum’s context the term Key Managerial Personnel would include Managing Director & Chief Executive Officer, Company Secretary and Chief Financial Officer.

- **“Protected Disclosure/Whistle Blow”** means a concern raised by Employee(s) or Directors or any other Stakeholder(s) of the Company, through a written communication and made in good faith which discloses or demonstrates information about an activity covered under the definition of Alleged Wrongful Conduct under the scope of the Policy with respect to the Company.

However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

- **“Stakeholder”** means a person having any business relationship with the Company including but not limited to customers, contractors, suppliers, business Employees, service providers, channel partners, third party agencies, valuer etc. It shall also include employees of those entities in which Grihum has an interest but does not have control, as also consultants and agents employed by Grihum for conduct of its business normally.
- **Senior Management Personnel** shall have the same meaning as defined in the clause 3 (I) of the Remuneration Policy of the Company, as amended from time to time.
- **“Whistle Blower”** means a Director or an Employee or Stakeholders making a Protected Disclosure under this Policy.

3. OUR COMMITMENT

- Be preferred employer where Employees feels valued and Stakeholders recognise the commitment, potential and dedication of our employees;

In fulfilling our commitment we will strive to:

Integrity and credibility

- **Integrity** - Know and understand the principles of integrity;
- **Honesty** – Speak the truth and represent facts accurately in every situation.
- **Transparency** – Share information openly and avoid any form of concealment or misrepresentation.
- **Accountability** – Own your actions, decisions, and outcomes.
- **Confidentiality** – Protect sensitive information and use it responsibly at all times.
- **Ethical Conduct** – Follow company policies and do the right thing, even when no one is watching

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➤ **GRIHUM'S CORE VALUE'S:**

Humility

- **Respect** – Acknowledge that everyone's journey to homeownership is unique and respect their journey
- **Listen** - Pay attention to customers' needs, concerns, and dreams, both said and unsaid words
- **Understand & Engage** – Invest in understanding their background and needs and engage with them mindfully
- **Be Empathetic** – Most of our customers have gone through hardships of life. Important for us to be kind and considerate.
- **Put Customer Before Self** – We are here to serve the Real India. We must prioritise our purpose.

Trust

- **Fairness** – The industry is full of stories where our target group is exploited. We must be transparent to them and protect them from unfair practices,
- **Governance & Compliance** – Housing Finance is a regulated business to protect customer **interest**. We must be aware of regulations and comply with them. Parallely ensure our customers do so too.
- **Customer centricity** – Trust increases when the other side knows that their side is prioritised. Let them know that they matter.
- **Reliable** – Serve customers so immaculately that they rely more on you and your judgment for their good.
- **Timely** – A delayed response is a denied opportunity that may irk the customers or make them feel less valued. Promptly respond to customer requests

Togetherness

- **Shared Success** – Success when shared becomes more joyful. Our role in fulfilling the aspirations of self-made individuals should be taken up as a personal responsibility.
- **Collaborative** – Walk hand in hand with customers to ensure that they are guided well throughout the journey.
- **Solution Orientation** – Often times our customers will not be a 10/10 on all counts. Instead of becoming roadblock or highlighting problems on why something cannot be done, focus on how it can be done.
- **Responsive** – How silly or simple a customer query may be, make it a point to address it patiently and certainly. Ignoring or delaying a response to a request or a query must be avoided at all costs.
- **Customer Delight** – Our existence lies in the dreams of self-made individuals – their first homes. We have to singularly focus on ensuring that dreams turn into reality, seamlessly

Apart from the above guiding principles, we shall at all times be guided by the Code of Conduct &

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Discipline Rules.

4. OBJECTIVES

1. This Policy aims to maintain the standard of business conduct and ethics expected of everyone who carries out work for or on behalf of for the Company and also ensuring compliance with legal requirements.
2. This Policy also seeks to serve as a guideline for reporting of fraud to the various regulatory authorities as required by such authorities from time to time.
3. This Policy does neither release the Employees and Stakeholders from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.
4. This Policy provides a channel to Whistle Blower to report concerns about any Alleged Wrongful Conduct and to build and strengthen a culture of transparency and trust between the Whistle Blower and Grihum as an organization.
5. It provides necessary safeguards for protection from reprisals or victimization of Whistle Blower, blowing the whistle in good faith.
6. It encourages the Whistle Blower to communicate to the members of the Ethics & Disciplinary Committee of the Company as may be applicable, behavior or practice, that they may be aware of and which they suspect to be unethical, illegal or otherwise inappropriate and harmful to the Company.
7. It seeks to protect the Whistle Blower, who is providing information regarding violation/s of law or regulation by the Company, its Employees and Stakeholders or regarding manipulation of Company's data / records, leaking confidential or proprietary information, wastage or misappropriation of Company fund and assets or any other activities which amount to Wrongful Conduct/Alleged Wrongful Conduct in terms of this Policy, including but not limited to, accounting, internal controls, auditing matters, applicable national and/or international laws, either through Whistle Blower mechanism and/or by informing the identified personnel of the Company through written communication, with relevant information, without fear of victimization.

5. APPLICABILITY AND SCOPE

- a. This Policy applies to all Employees, Directors and Stakeholders of the Company.

This Policy covers any Alleged Wrongful Conduct or any activity on account of which the Interest of the Company is affected and is formally reported by Whistle Blower(s) such as:

- i. Issues pertaining to Integrity.

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- ii. Disciplinary Issues / workplace harassment;
- iii. Issues pertaining to leak/suspected leak of Unpublished Price sensitive information
- iv. Any other issue;

i. Issues pertaining to Integrity:

In case of any issues pertaining to breach of integrity, once a case is prima facie and case is accepted, the process laid down in this Policy shall be followed. Examples of breach of Integrity/Wrongful Conduct which can come under this category are mentioned in Annexure I. However, the cases which are not covered in this Annexure would need to be categorized basis the nature and gravity of breach of Integrity/Wrongful Conduct.

ii. Disciplinary Issues / Workplace harassment

In case of receipt of any Protected Disclosure regarding any disciplinary/workplace harassment issues, the Human Resources department will be the ultimate authority to take decision basis on the Code of Conduct and Discipline Rules of the Company and issues pertaining to sexual harassment will be governed by 'Policy on Prevention and Redressal of Sexual Harassment' and the procedure prescribed therein.

iii. Issues pertaining to leak/suspected leak of Unpublished Price sensitive information (UPSI)

In case of any issues pertaining to leak/suspected leak of UPSI under Grihum Code of Conduct for Prohibition of Insider Trading, once a case is prima facie and case is accepted, the process laid down in this Policy shall be followed.

This Policy is also framed for providing the procedure for initiating inquiry, investigation and disposal of cases pertaining to any leak or suspected leak of UPSI under SEBI (PIT) Regulations, 2015.

iv. Any other issues

Protected Disclosure other than as mentioned above will be dealt in pursuance of the Code of Conduct and Discipline Rules of the Company and/or as per this Policy as applicable.

- b. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case;
- c. Whistle Blower(s) 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 Compliance Officer and/or Investigator/ Investigating Authority or otherwise;
- d. If anonymous complains made, it must be backed with reasonable evidence/details to enable necessary investigation. For matters where sufficient evidence / detail is not provided and the whistleblower has maintained anonymity, it will be at the Ethics & Disciplinary Committee's

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discretion whether to consider it or not.

- e. Protected Disclosure will be appropriately dealt with by the internal audit and/or officer designated for this purpose, Investigator/ Investigating Authority, Ethics & Disciplinary Committee or the Chairman of the Audit Committee, as the case may be, depending on the gravity of Protected Disclosure made by the Whistle Blower;

6. SOURCES OF INFORMATION OR MODES FOR REPORTING OF ALLEGED WRONGFUL CONDUCT/WRONGFUL CONDUCT

This section is divided into two parts:

A: Modes of reporting of Wrongful Conduct

B: Detection and identification of Alleged Wrongful Conduct

A. Modes of reporting of Wrongful Conduct

Whistle Blower, coming to know of any suspected Alleged Wrongful Conduct, through whatever means, should immediately bring it to the notice by either of the following modes. In case of any undue delay in reporting of any Wrongful Conduct, it will be considered as conniving with the Wrongful Conduct. Modes:

Directly communicate with reliable information to whistleblower@griumphousing.com or at the postal address: Kind Attn.: Head HR, 6th Floor, B Building, Ganga Trueno, Lohegaon, Pune, Maharashtra 411014

Communicate/complain to any employee or sr. management team on alleged Wrongful Conduct. In such an event the recipient of such complaint shall forthwith, forward the same to **Investigation Authority or Head HR/ CHRO, who shall forward the complaint to the Ethics & Disciplinary committee.**

In exceptional circumstances, may also report any violation, to the Chairman of the Audit Committee whose address is given herein below, who shall cause investigation into the same at his own discretion or may refer the matter to the Ethics & Disciplinary Committee for investigation.

The Chairperson of the Audit Committee

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B. Detection and identification of Alleged Wrongful Conduct

- i. Each vertical, both line and support, of all businesses, shall have in place adequate

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directive/preventive/ controls to prevent and detect Alleged Wrongful Conduct and the primary responsibility of detection and reporting of any Alleged Wrongful Conduct would normally rest with the immediate superior of the perpetrator.

- ii. Alleged Wrongful Conduct may also be detected by Internal Audit team and Risk Team whenever they conduct an audit or special review. Simultaneously, to prevent occurrence of fraudulent activities, surprise branch visit will be conducted and extension of this may include surprise audit of any location by internal team meant/formed for this purpose.
- iii. All Employees/Stake Holders have the responsibility to be vigilant against any Alleged Wrongful Conduct, and any Wrongful Conduct notice can be brought to light through ‘Whistle Blowing’.
- iv. The identification of the manner of leak of UPSI may be as follows:
 - a. due to accidental disclosure of UPSI and promptly brought to the notice of the Compliance Officer and Company Secretary by the concerned person;
 - b. due to willful breach of the regulations by an Insider resulting in communication of UPSI;
 - c. due to hacking of systems storing UPSI;
 - d. due to sabotage of particular system storing UPSI.
- v. Where clear identification of leak of UPSI is not feasible, the Chief Compliance Officer may engage external agencies to investigate and submit report in relation to leak of UPSI to the Managing Director & Chief Executive Officer or the Chairman of the Audit Committee.

7. INVESTIGATION PROCESS:

Activity	Owner / Committee	Timeline	Remarks
Complaint Receipt & Logging	HR / Risk / Functional SPOC	Day 0	Complaint is logged via email, system, or manual reporting.
Acknowledgement to Whistleblower	Concerned Dept. (if identity disclosed)	Day 1	Optional: Provide acknowledgment email or reference ID to the complainant.
Initial Scrutiny	1. Nonbusiness related behavioral issue – HR Department 2. Business Fraud issue – Risk Department	1-3 days	Determine if the case is minor and doesn’t merit Ethics & Disciplinary Committee involvement.
Preliminary Investigation Initiation	1. Nonbusiness related behavioral issue – HR Department 2. Business Fraud issue – Risk Department	3-7 days	Start data gathering, fact-checking, and stakeholder interviews.

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Evidence Collection	1. Nonbusiness related behavioral issue – HR Department 2. Business Fraud issue – Risk Department	45 days	Collate email trails, CCTV logs, voice recordings, internal documents, and other relevant evidences
Investigation Summary Report Preparation	1. Nonbusiness related behavioral issue – HR Department 2. Business Fraud issue – Risk Department	60 days	Prepare factual findings, assessment of severity, and preliminary recommendation.
Reporting & Documentation	1. Nonbusiness related behavioral issue – HR Department 2. Business Fraud issue – Risk Department	60 days	Share report with pre-identified Closed Group (Compliance, Functional Head etc.) for internal transparency.
Final Presentation & Review by EDC (If Required)	HR / Risk department to Ethics & Disciplinary Committee	Within 90 days (T)	If case evolves or outcome requires formal disciplinary decision, a final summary is presented to EDC for closure approval.
Closure Communication	HR / Risk SPOC	T + 2 days	Communicate decision to complainant and respondent. Maintain confidentiality.

- No disciplinary action would be recommended without issuing show cause notice thereby giving opportunity of being heard as per a principal of natural justice.
- Minutes of the meeting of the Ethics & Disciplinary Committee shall be recorded in writing identifying date, names of the members and signed by all the members.
- Wherever deemed necessary HR and/or Investigating Authority, as the case may be, will intimate to the Ethics & Disciplinary Committee about the gravity of the wrongful conduct / frauds and the Ethics & Disciplinary Committee or HR in consultation with the members of the Ethics & Disciplinary Committee may put the accused Employee under immediate suspension pending completion of the investigation and enquiry.
- Matters related to non-business nature, e.g., behavioral or inter-personnel issues will be taken up directly by Head HR/ CHRO for investigation as per Code of Conduct of the Company
- HR and/or FRM/FCU shall upon receipt of any case or knowledge of fraud involving employee either from respective business team or *suo moto* discovery or otherwise where any disciplinary action is proposed or where any pre-legal action has been taken, shall follow the steps as stipulated in the Investigation Process and ensure that such cases have been forwarded to RBI Compliance team and legal for necessary action and information.
- Intimation by way writing or by an e-mail will also be sent to the Functional Head of the concerned vertical of investigation having been initiated.
- Protected disclosure & the subsequent investigation & other related documents along with the

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minutes will be maintained for a period of eight years

8. RESPONSIBILITIES OF THE INVESTIGATING AUTHORITY:

Once a case of suspected Wrongful Conduct is brought to the notice of Investigating Authority, it shall study the case and may take action as deemed necessary:

- i. Preliminary analysis/investigation of cases shall be done for acceptance / rejection for investigation by the Investigating Authority or Internal Audit as the case may be.
- ii. On preliminary analysis/investigation, if any matter is rejected then reasons thereof shall also be documented and intimated to the Ethics & Disciplinary Committee.
- iii. Investigating Authority shall depute its audit team to investigate the matter thoroughly if it feels necessary. Investigating Authority may also take the help of any other department/external resources for investigation, if it feels necessary. However, there should not be any conflict of interest while taking help of other department;
- iv. Once Internal Auditor or Investigating Authority (IA) as the case may be, after learning the facts of the case, believes that an Employee accused of Wrongful Conduct should be put under suspension, it may make such recommendation to the Ethics & Disciplinary Committee before or at any stage during the investigation, clearly stating the reasons for such recommendation depending on the gravity of Wrongful Conduct.
- v. The investigation shall be completed normally within 30 working days of the receipt of the Protected Disclosure/compliant or *suo moto* discovery.

After the completion of the investigation Internal Auditor or Investigating Authority as the case may be, shall submit the final investigation report to the Ethics & Disciplinary Committee, the Chief Compliance Officer and to the Functional Head of the concerned vertical if so required. Such report shall contain recommendations inter alia:

- Charges fixed on the Employees responsible with grading of the offences in terms of “Minor”, “Major”, “Serious” and “Gross”;
- To take such disciplinary or corrective action as the Ethics & Disciplinary Committee of the Company deems fit;
- Process modifications, if any;

9. CATEGORIZATION OF WRONGFUL CONDUCT AND PUNITIVE ACTION:

For cases pertaining to leak/ suspected leak of UPSI, once the allegations are fully substantiated, the Audit Committee shall determine the action to be taken against the guilty by referring to the Code of Conduct for Prohibition of Insider Trading. Other Wrongful Conduct has been categorized into 4 degrees namely: ‘Serious’, ‘Gross’, Major’ and ‘Minor’ Wrongful Conduct. An illustrative list of this categorization of Wrongful Conduct basis historical experience is attached in Annexure

I. However, the cases which are not covered in this illustrate list would need to be categorized basis the nature and gravity of Wrongful Conduct.

The table below lays down the disciplinary procedure/punitive actions as per the categorization/degree of Wrongful Conduct:

Degree	Fraudulent Act	Alleged Wrongful Conduct	Punitive Action
Minor	NA	Unintentional act or negligence for which no direct motive is attributable and the impact of the Alleged Wrongful Conduct does not have any material impact with regard to financial, reputation, customer satisfaction, legal etc.	Verbal warning/counselling /advisory /cautionary Letter by the HR manager and/or in presence of HR Manager with information to the national head concerned. Post action the information should be mailed to all concerned that the process has been complied and the copy of the relevant documents to be kept in file and the noting to be made in the HRMIS for future reference.
Major	Intentional Subversion of policy(s)/process/ established practices/ procedural activities not aimed at deriving pecuniary benefits	Intentional Subversion of policy, procedure to show better performance or unintentional act or negligence, consequences of which has material impact with regard to financial, reputation, customer satisfaction, legal etc. Any second instance of minor Wrongful Conduct within 12 months will be considered as Major Alleged Wrongful Conduct.	A warning in writing shall be issued by Head HR / CHRO. However, person(s) having delegation of authority by Head- HR/CHRO can issue letters on their behalf. A copy of the same shall be held in the employees file at HR and noting shall be made in the HR MIS. Employee's rating during appraisal will be dropped one notch lower and such employee will not be eligible for promotion in the appraisal cycle.

Degree	Fraudulent Act	Alleged Wrongful Conduct	Punitive Action
Serious	Intentional act aimed at deriving pecuniary benefit for self or channel partner.	Intentional Wrongful Conduct/ process violation aimed to gain pecuniary benefit(s) or gross negligence of work consequences of which has material impact with regard to financial, reputation, customer satisfaction, legal etc. Any second instance of unexplained major Wrongful Conduct within 12 months will also be considered as serious Wrongful Conduct.	<ul style="list-style-type: none"> ➤ HR to initiate actions to make the accused employee exit from the system ➤ Considering nature of wrongful conduct- emails to be sent by the respective vertical/functions to the customer dealt with by such employee thereby warning not to deal with him as he/she might defraud them. ➤ HR to tag the employee to "not to rehire" in HRMS portal for future reference
Gross	Misappropriation	Intentional Wrongful Conduct that	➤ Disciplinary action leading to dismissal of

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	of cash of the company, customer, channel, service provider etc.	has gross negative impact on the company’s reputation or ethical environment in the eyes of customer, employees, channels, law, service provider or any other stake holder.	<p>accused employee. Alongside criminal proceedings to be done particularly when there is money to be recovered.</p> <ul style="list-style-type: none"> ➤ FRM/FCU Team - shall send emails to all employees informing the name, along with photograph, nature of wrongful conduct committed, investigation findings, amount involved and disciplinary action taken. ➤ In Staff Governance cases HR shall approve the cases before FRM/FCU Team publishes the email to all employees ➤ Considering nature of wrongful conduct - emails to be sent by the respective vertical/functions to the customer dealt with by such employee thereby warning not to deal with him as he/she might defraud them. ➤ Strict Criminal and Civil legal recourse as per nature of case ➤ HR to tag the employee to “not to rehire” in HRMS portal for future reference
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Before implementing the disciplinary action as per above matrix, the Ethics & Disciplinary committee will discuss with the concerned vertical and may seek their views. However, the decision of the Ethics & Disciplinary Committee will prevail.

10. IMPLEMENTATION OF ACTIONS ON THE INVESTIGATION FINDINGS

There will be two types of actions emanating out of the investigation findings.

- **The first category of actions** will be pertaining to disciplinary actions against Directors and Employees or Stakeholders as the case may be who have been implicated in the Alleged Wrongful Conduct.
- **The second category of actions** will be the implementation of ‘process modifications’ to minimize the possibility of alleged Wrongful Conduct recurrence.

The Ethics & Disciplinary Committee will also monitor and ensure that the action to be initiated as per the report has been properly implemented.

Before implementing the Disciplinary Action, HR may discuss with the concerned Functional Head and seek their views. However, the decision of the Ethics & Disciplinary Committee will prevail. Whistle Blowers, who are Employees or Stakeholders of the Company and who make any Protected

Disclosures, which are subsequently found to be mala fide or malicious, shall be liable to Disciplinary Action under this policy of the Company. Any Employees knowingly or intentionally suppressing / hiding any Wrongful Conduct and not reporting to the Ethics & Disciplinary Committee and/or Investigating Authority will also be liable for Disciplinary Action under this Policy.

Actions for Employees:

For 'Serious', 'Gross', Major' and 'Minor' Alleged Wrongful Conduct the outline of standard disciplinary procedure/action is to be referred to the **Clause 9**.

In case of repeated frivolous complaints being filed by a Director or an Employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand.

Actions for Stakeholders:

Actions for external agencies/parties (read with definition of Stakeholders) will be initiated by the concerned vertical in terms of laid down policies of the Company and/ laws of the land.

11. REPORTING OF FRAUDS AND RETURNS:

The Chief Compliance Officer on receiving the report from the Internal Auditor or Investigating Authority as the case may be, shall submit or cause the same to be submitted to the NHB in accordance with directions of the NHB, as amended from time to time.

12. NON-INTERFERENCE

There shall not be any interference in the process of investigation, especially by anyone in the concerned vertical. If any such instances occurred, the same will be recorded and reported to Committee.

13. PROTECTION

No unfair treatment will be met out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this Policy. Complete protection will, therefore, be given to Whistle Blower(s) 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 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. As an additional measure, if any Employee is found to be retaliating against someone who has reported a Wrongful Conduct in good faith shall be subjected to Disciplinary Action under this Policy. At the same time, if any individual is found to be making repeated or frivolous complaints, then

suitable action will be taken against the concerned including reprimand.

Save and except as required by law enforcement agencies under any subpoena, the identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law (except to the persons involved in investigation in the matter on which whistle has been blown) and unless the Whistle Blower has himself/herself disclosed his/her identity to any other office or authority. Provided however that the Whistle Blower before making a complaint shall have reasonable belief that an issue exists and he/she has acted in good faith. No action should be taken against the whistleblower, if the complaint was made in good faith, but no misconduct was confirmed on subsequent investigation. Any complaint not made in good faith and assessed as such by the Investigation Authority/ Ethics & Disciplinary Committee shall be viewed seriously and the Whistle Blower shall be subject to appropriate Disciplinary Action. This Policy does not protect a Whistle Blower from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this Policy.

Notwithstanding anything mentioned herein above, any breach of protection clause by the Employees or the Stakeholders shall be appropriately dealt with by the Ethics & Disciplinary Committee at its own discretion and the Ethics & Disciplinary Committee shall take such punitive and/or disciplinary action it may deem fit.

14. ADMINISTRATION, AMENDMENT AND REVIEW OF THE POLICY

The Audit Committee shall be responsible for the administration, interpretation, application and review of this Policy. The Audit Committee also shall be empowered to bring about necessary changes to this Policy, if so, required at any stage at its own discretion or with the concurrence and/or recommendation of the Ethics & Disciplinary Committee. Whilst, the Company has made best efforts to define detailed procedures for implementation of this Policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the Policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

An annual report about the functioning of the Whistle Blower Mechanism shall be placed before the Audit Committee by the members of the Ethics & Disciplinary Committee. A quarterly status report on the total number of complaints received if any during the period with summary of the findings of Investigating Authority / Ethics & Disciplinary Committee and corrective steps taken should be sent to the Audit Committee.

15. CONFIDENTIALITY

Investigating Authority and external resources (if any) appointed by the Investigating Authority during the course of investigation or any other person who are anywhere related to this Policy shall maintain the confidentiality of sensitive information relating to the Company which comes to their

knowledge in the course of the discharge of their functions and any other confidential information about the Company that comes to them, from whatever source, except when such disclosure is authorized or legally mandated. No person shall provide any confidential or sensitive information either formally or informally, to the press or any other publicity media, unless specifically authorized to do so. Confidential / sensitive information includes all information not in public domain and that might be of use to competitors or harmful to the Company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the Company. The obligation to preserve confidential information continues even after employment ends.



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Version Controls:

Version No	Change Request by	Short Particulars of the Changes	Board Approval Date
2.0	Compliance Officer - RBI and HR	To align with the business requirements	13 August 2018
3.0	Business Team	To align with the business requirements	22 January 2019
-	-	Name of the Company changed to Poonawalla Housing Finance Limited	-
4.0	HR	w.e.f. 22.07.2021	12 March 2022
5.0	HR	To align with the internal requirements	11 May 2022
6.0	HR	Change in composition of EDC	21 July, 2023
7.0	HR	Change in composition of EDC	18 October, 2023
8.0	HR	To align with the internal requirements	19 January, 2024
9.0	HR	Change in composition of EDC	03 May 2024
10.0	HR	Enhancing the role coverage of FRM/FCU Team	22 October, 2024
11.0	HR	To align with business requirements	22 May, 2025
12.0	HR	To Add, remove and amend the offences from the illustrative list and align core values of the company with COC policy	10.02.2026

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ANNEXURE I

S.NO.	CATEGORY	GRADE	NATURE OF WRONGFUL CONDUCT
1	Financial Impact	Gross	Misappropriation of cash and financial instruments related to the company, customers, channels and service providers
2	Others	Gross	Unauthorized modification of financial data
3	Prohibited Behaviours	Gross	Attempt by employees to influence the verification process like FI, TVR, legal, technical, RCU
4	Prohibited Behaviours	Gross	Carrying unaccounted cash
5	Prohibited Behaviours	Serious	Accepting payments from third party / company employees in the customer's loan account of the company.
6	Prohibited Behaviours	Serious	Employees shall not offer or accept gifts in the form of cash, cash equivalents, vouchers, services, or any item that may be perceived directly or indirectly as influencing a business decision, securing an undue advantage, or creating any obligation to act or refrain from acting in a particular manner and any breach as per Rule 1 HONEST AND DISCIPLINED CONDUCT under code of conduct policy
7	Others	Serious	Accepting quotations outside the bidding process for asset disposal
8	Prohibited Behaviours	Serious	Advising delivery of an asset to a customer through any mode of communication-verbal, letter, delivery order
9	Prohibited Behaviours	Serious	Allowing repo agent to collect cash from customers
10	Others	Serious	Converting a direct case to indirect -"if such conversion is with the objective / intent of sharing Channel Partner/Connector payout / commission."
11	Others	Serious	Disbursing without critical docs not collected, nor captured in PDD
12	Financial Impact	Serious	Diverting insurance business to others
13	Data Leakage	Serious	Diverting list of declined cases to other channels or competition
14	Misleading / False Data	Serious	Exceeding the discretionary powers
15	Misleading / False Data	Serious	Failing to ensure compliance to sanction terms and conditions before booking the deal
16	Misleading / False Data	Serious	Failing to obtain all the documents that are prescribed in the manual and approval mails
17	Misleading / False Data	Serious	FI reports submitted without actual field investigation being conducted
18	Misleading / False Data	Serious	Gross negligence in judging the risk profile of the customer/venture/asset combination
19	Prohibited Behaviours	Serious	Letting third party or channel to collect EMI
20	Tampering of Documents	Serious	Preparing or ordering preparation of any document that should be received from the channel, dealer, customer or any other agency
21	Misleading / False Data	Serious	Making false statements about the customer's intention and third-party status to speed up the repossession
22	Misleading / False Data	Serious	Making falsified statements in any mode of communication to obtain an approval of higher authorities
23	Misleading / False Data	Serious	NOC approval / un-blocking and cancellation without related compliance
24	Financial Impact	Serious	Non-Documented repossession or release of Property
25	Tampering of Documents	Serious	Not doing OSV properly and seeing only the photocopies

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S.NO.	CATEGORY	GRADE	NATURE OF WRONGFUL CONDUCT
26	Others	Serious	Offering or promising any payments in cash or kind to anyone internally or externally to improve performance.
27	Misleading / False Data	Serious	Approving case with negative verification without adequate approvals.
28	Misleading / False Data	Serious	Recording of personal discussion and TVR without actually conducting.
29	Financial Impact	Serious	Release of property documents without loan closure and approval
30	Others	Serious	Revealing any price sensitive information to bidders
31	Data Leakage	Serious	Sharing company's internal policies on waivers with others
32	Prohibited Behaviours	Serious	Sharing information that might compromise the company's position with the customer
33	Data Leakage	Serious	Sharing system password with another employee or non employee
34	Tampering of Documents	Serious	Signing on behalf of the customer in case of missing signatures
35	Misleading / False Data	Serious	Suppression of any information material to Credit Decision / Payment approval
36	Prohibited Behaviours	Major	Accepting cheques from non- customers - especially channel partners to hold a customer from flowing
37	Prohibited Behaviours	Major	Accepting clubbed EMI cheques of more than one loan from either customer or a third party
38	Financial Impact	Major	Approving a charge below the approved rates for any service
39	Misleading / False Data	Major	Booking a file without requisite details/ Approvals
40	Misleading / False Data	Major	Enabling/participating in asset transfer to third party
41	Prohibited Behaviours	Major	Bypassing any credit process of the company deliberately or inadvertently
42	Prohibited Behaviours	Major	Changing the name of the channel partner
43	Misleading / False Data	Major	Closure of Concurrent Audit related point without receiving approval / supporting docs
44	Misleading / False Data	Major	Conducting FI along with channel for FI
45	Misleading / False Data	Major	Entering discrepant information about the asset, customer, financial parameters
46	Company Reputation	Major	Failing to brief the legal implications of being a co-applicant to a co-applicant or of a personal guarantee to the guarantor
47	Company Reputation	Major	Failing to inform financial details of the deal to the customer
48	Company Reputation	Major	False commitments to settlement for retaining in buckets or flowing back
49	Others	Major	Holding any payment to channels sans valid reasons and approval
50	Prohibited Behaviours	Major	Holding PDCs both filled or blank
51	Misleading / False Data	Major	Incorrect fees collected directly or letting channel take higher than prescribed processing fees
52	Misleading / False Data	Major	Misleading customers with wrong terms of lending even within offerings of the company
53	Misleading / False Data	Major	Non adherence to marking all business approval mails directly to the person executing or implementing the approved action. The person executing should peruse the mails of approving authority only.
54	Misleading / False Data	Major	Not capturing a critical PDD document list or not following up on due dates for PDDs, that leads to fraud, early delinquencies and Instant

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55	Financial Impact	Major	Not making all possible efforts to get the best price for the repossessed assets
56	Misleading / False Data	Major	Not preventing any channel from collecting cash from the customer

S.NO.	CATEGORY	GRADE	NATURE OF WRONGFUL CONDUCT
57	Misleading / False Data	Major	permitting customer to bring in co-applicant not related, by not collecting relationship proof as required
58	Misleading / False Data	Major	Promising terms that are not as per standard offerings on the company
59	Misleading / False Data	Major	Providing contact number of self or connector in the application form to mislead information or influence the verification process
60	Others	Major	Recommending or rejecting a case without due diligence
61	Misleading / False Data	Major	Recording the FI in the System in any name other than the one who conducted the FI
62	Misleading / False Data	Major	Suppressing information on personal relationship with any prospective customer either handled by himself or by other sales executive
63	Prohibited Behaviours	Major	Tailor making a customer for the screen that is advising customer swap
64	Misleading / False Data	Major	Trying to advise the guarantor that it is just a signature and has no financial implications
65	Prohibited Behaviours	Major	Unauthorized destruction of relevant documents
66	Prohibited Behaviours	Major	Wrong product being offered, trying to fit a customer for a product he does not want Complaint of mis-selling, in terms of tenor, loan
67	Misleading / False Data	Minor	Not capturing all liabilities and obligations of a customer and committing a loan amount that he does not qualify for
68	Misleading / False Data	Minor	Not disclosing penal charges, personal visit charges etc. to the customer
69	Prohibited Behaviours	Minor	Offering an LTV higher than what the customer wanted
70	Others	Minor	Permitting channel to book a deal subsequent month, since his current month targets are met
71	Prohibited Behaviours	Minor	Reconfirmation of tenor, rate, EMI, other details during PD or TVR That leads to customer defaulting on not knowing the terms.

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