



Heritage Finlease Limited

Vigil Mechanism and Whistle-Blower Policy

INTRODUCTION

Section 177 of the Companies Act, 2013 and the rules there under, 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 crore, shall establish a whistle blower policy for the directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or Fair Practices Code.

The Company has adopted the Code of Conduct for directors and the senior management executives (Hereinafter termed as "Code") which lay down the principles and standards that should govern the actions of the company and its employees.

Any actual or potential violation of the Code, however significant or perceived as such would be a matter of serious concern for the company. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit committee in exceptional cases.

HERITAGE FINLEASE LIMITED in compliance with the provisions of Section 177 of the Companies Act, 2013, as the company has borrowed funds from the Banks, it is laying down the policy of Whistle blower in its compliance with regard to the Act as such.

SCOPE AND APPLICABILITY

Objectives

The Company is committed for adherence of highest standards of ethical behaviour, moral and legal conduct of business. To maintain these standards, the company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

This mechanism provides a Channel to the employees and the Directors to report to the Management about unethical behaviour, actual or suspected fraud or violation of the codes of conduct or legal or regulatory requirements which are not correct and misrepresentation of any financial statements and reports etc.

Applicability

This policy intends to cover serious concerns that could have gave impact on the operations and performance of the business of the Company and 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, manipulation, 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. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up grievance about a personal situation.

Definitions:

"Audit Committee" Is a committee that constituted by the Board of Directors of the Company in accordance with the Section 177 of the Companies Act, 2013 and as may be applicable.

“Employee” means every employee of HERITAGE FINLEASE LIMITED (whether working in either of the Company’s office locations across PAN India) including the directors in the employment of the Company.

“Stakeholders of the Company” means all the clients, employees, the authorized persons of the banks that lent to the company or any vendor individual or authorized person of the Vendor Institution or Company or entity associated with the “Company”.

“Vendor Individual or Vendor Company” means either an Individual or a body corporate who has association with the company for providing or obtaining services from the company through an MoU or a mutually agreed terms.

“Code” means the Code of Conduct of the Company.

“Investigators” means the persons authorized, appointed, consulted or approached by the Chief Executive Officer / Chairman of the Audit committee and includes the auditors of the Company and the Police.

“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may be evidence unethical or improper activity.

“Subject” means a person against or in relation to whom a protected disclosure has been made or evidence gathered during the course of Investigation.

“Whistle Blower” means an employee making a protected disclosure under this policy.

“Whistle and Ethics Officer” means an officer of the company nominated by the competent authority to conduct detailed investigation under this policy and to receive protected disclosure from Whistle Blowers, maintain record thereof, placing the same before the audit committee for its disposal and informing the whistle blower the result thereof.

“Company” means the HERITAGE FINLEASE LIMITED

Eligibility

All the employees of the company and various stakeholders of the Company are eligible to make protected disclosures under the policy in relation to the matters concerning the company.

Disqualification

1. While it will be ensured that genuine whistle blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary actions.
2. Protection under this policy would not mean protection from disciplinary action arising out of false or bogus allegations made by whistle blower knowing it to be false or bogus or with a mala fide intention.
3. Whistle blowers, who make ten or more protected disclosures, 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 disclosures under this policy. In respect of such whistle blowers, the company / audit committee would reserve its rights to take recommend appropriate disciplinary actions.

Procedures

1. All the protected disclosures concerning financial / accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
2. In respect of all other protected disclosures, should be addressed to the Board of Directors of the Company or Chief Executive Officer (CEO) situated at the following address and contact number:

C/o. Heritage Finlease Limited:

Heritage Finlease Limited, Plot No 83, 2nd Floor, Dwaraka Summit, Kavuri Hills, Hyderabad - 500033, Telangana, India. Contact Number: +91 040 23301095

3. If the protected disclosure is received by any executive of the company other than Chairman of Audit Committee or the Chief Executive Officer, the same should be forwarded to the Chairman or Audit Committee or the Chief Executive Officer as applicable for further appropriate action and appropriate care must be taken to keep identity of the whistle blower confidential.
4. Protected disclosures should preferably be reported in writing so as to ensure clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or any regional language of the place of the employment of the Whistle Blower.
5. The Protected disclosure should be forwarded under a covering letter which may bear the identity of the whistle blower. The Chairman of the audit committee / Chief Executive Officer as the case may be shall detach the covering letter and forward only the protected disclosure to the investigation for Investigation purposes.
6. 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 preliminary investigation procedures.
7. The Whistle blower may disclose his / her identity in the covering letter forwarding such protected disclosure. Anonymous disclosures will also be entertained. However, it may not be possible to interview the Whistle blowers and grant him / her protection under this policy.

Investigations

1. All the protected disclosures reported under this policy will be thoroughly investigated by the Chief Executive Officer / Chairman of the Audit Committee of the Company who will investigate/ oversee the investigations under the authorization of the Audit committee. If any member of the audit committee has a conflict of interest in any given case, then he / she should recue himself / herself and the other members of the audit committee should deal with the matters on hand.
2. The Chief Executive Officer / Chairman of the Audit Committee may at their discretion, consider involving any investigators for the purposes of investigation.
3. The decision to conduct an investigation taken by the Chief Executive Officer / Chairman of the Audit committee is by itself not an accusation and is to be treated as a neutral factfinding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

4. The Identity of the subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
5. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
6. Subjects shall have a duty to co-operate with the Chief Executive Officer / Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protects available under the applicable laws.
7. Subjects have a right to consult with a person or persons of their choice, other than the Chief Executive Officer / Investigators and / or members of the Audit committee and / or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
8. 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.
9. 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 wrong doings against a subject shall be considered as maintainable unless there is good evidence in support of allegation.
10. 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 the Company.
11. The Investigation shall be completed normally within 45 days of the receipt of the protected disclosure.

Protection

1. No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a 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 Whistleblowers. Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower'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 Whistleblower may experience, as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.
2. A Whistleblower 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.

3. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Chief Executive Officer / Chairman of the Audit Committee (e.g., during investigations carried out by Investigators).
4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

Investigators

1. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Chief Executive Officer / Audit Committee when acting within the course and scope of their investigation.
2. 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 behaviour, and observance of legal and professional standards.
3. Investigations will be launched only after a preliminary review which establishes that:
 - a. The alleged act constitutes an improper or unethical activity or conduct, and
 - b. 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.

Decision, Reporting and Retention

If an investigation leads the Chief Executive Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chief Executive Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chief Executive Officer / Chairman of 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 Chief Executive Officer shall submit a report to 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.

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

This policy is effective from the Date of Approval by the Board of Directors of the Company and is subject to Amendment on a time-to-time basis as per requirements.
