

**L&T FINANCIAL SERVICES**  
**(“LTFS”)**  
***Vigil Mechanism***

Applicable to L&T Finance Holdings Limited and its subsidiaries i.e.

L&T Finance Limited (erstwhile Family Credit Limited)

L&T Infra Credit Limited (Formerly known as L&T Infra Debt Fund Limited)

## TABLE OF CONTENTS

<b>1.0</b>	<b>INTRODUCTION .....</b>	<b>4</b>
1.1	VIGIL MECHANISM .....	4
1.2	VIGILANT PERSON/WHISTLEBLOWER/TIPSTER .....	4
1.3	DATE OF IMPLEMENTATION .....	4
<b>2.0</b>	<b>SCOPE .....</b>	<b>5</b>
2.1	APPLIES TO WHOM? .....	5
2.2	ACTS OF WRONGDOINGS LIMITED TO:.....	5
2.3	MATTERS EXCLUDED AS THERE ARE SEPARATE FORUMS.....	5
<b>3.0</b>	<b>OMBUDSMAN .....</b>	<b>6</b>
3.1	OFFICER AUTHORISED .....	6
3.2	RESPONSIBILITIES OF OMBUDSMAN .....	6
3.3	MEETINGS AND RECORDS .....	6
<b>4.0</b>	<b>PROCEDURE .....</b>	<b>6</b>
4.1	HOW TO REPORT .....	6
4.2	INDEPENDENCE AND CONFLICT OF INTEREST.....	7
4.3	TIMELINE.....	7
<b>5.0</b>	<b>PROTECTION OF VIGILANT PERSON/WHISTLEBLOWER/TIPSTER .....</b>	<b>7</b>
5.1	FREEDOM TO REPORT .....	7
5.2	ASSURANCE OF PROTECTION.....	7
<b>6.0</b>	<b>EMPLOYEE AWARENESS.....</b>	<b>8</b>
<b>7.0</b>	<b>COMPOSITION OF WBIC.....</b>	<b>8</b>

## 1.0 INTRODUCTION

### 1.1 Vigil Mechanism

Good governance is an integral part of the existence of a company. It inspires and strengthens investors' confidence by ensuring the company's commitment to higher goals and profits. This objective is achieved by adopting transparent procedures and practices, having in place effective machinery to address the concerns of all stakeholders, keeping shareholders informed about developments in the company and ensuring effective control over the affairs of the company.

The Company is committed to the highest possible standards of openness, probity, and accountability. In line with that commitment, we expect directors, employees and service providers that we deal with, to come forward and voice genuine concerns.

Keeping this in mind and to facilitate this process, the Company has formulated a Vigil Mechanism Framework to enable directors, employees and service providers to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct.

The Vigil Mechanism Framework is a structured process, which encourages and facilitates directors, employees and service providers to report without fear of retaliation, wrongdoings or any unethical or improper practice which may adversely impact the image, credibility and/or the financials of the company, through an appropriate forum. The objective is to maintain a redressal system which can process all complaints with utmost confidentiality concerning questionable accounting practices, internal accounting controls, or fraudulent reporting of financial information and anti- social conducts.

In other words, if directors, employees and service providers observe any wrongdoing that may adversely affect the company's image or financials they should assist in rectifying it by reporting it to the management for appropriate action.

### 1.2 Vigilant Person/Whistleblower/Tipster?

A '**Vigilant Person/Whistleblower/Tipster**' is an employee, director or a service provider (agency, vendor, contractor or any outsourced partner) who finds that another employee or director or an outsider is engaged in a conduct which may inappropriately affect the image, credibility or financials of the Company and who may, without expecting any reward in return report the matter to the Management as per the guidelines given below. Such a person is known as a 'Vigilant Person/Whistleblower/Tipster' and the matter so reported by any employee or director of the company shall be considered to be under 'VIGILANCE' and treated with utmost confidentiality.

### 1.3 Date of Implementation

This Vigil Mechanism comes into force from April 1, 2014.

## **2.0 SCOPE**

### **2.1 Applies to Whom?**

This Vigil Mechanism Framework is applicable to all stakeholders including Employees, Directors and Service Providers (agency, vendor, contractor or any outsourced partner) of the Company.

### **2.2 Act of Wrongdoing as illustrated below may include but not limited to:**

- Forgery or alteration of documents
- Unauthorized alteration or manipulation of computer files
- Fraudulent financial reporting
- Pursuit of a benefit or advantage in violation of the company's interest
- Misappropriation/misuse of Company's resources like funds, supplies or other assets including business assets
- Authorizing/receiving compensation for goods not received/services not performed
- Authorizing or receiving compensation for hours not worked
- Improper use of authority for personal gain
- Release of Proprietary Information
- Kickbacks or unauthorized commissions
- Giving and taking bribes
- Theft of Cash/Assets
- Theft of Goods/Services
- Unauthorized discounts/approvals/sanctions/ guarantee/ assurity including to clients/ investors
- Falsification/Destruction of Company records
- Fraudulent Insurance Claims
- Insider trading including front running and self-dealing
- Work Place Harassment

### **2.3 Matters pertaining to the following shall be excluded from the purview of Vigil Mechanism Framework.**

- Personal Grievances
- Dissatisfaction with appraisals and rewards
- Complaints relating to Service conditions
- Company Policies
- Suggestions for improving operational efficiencies
- Sexual Harassment (redressal mechanism provided under the relevant Act)

### 3.0 OMBUDSMAN

#### 3.1 Officer Authorized

The Head Internal Audit of L&T Financial Services will act as an Ombudsman.

#### 3.2 Responsibilities of Ombudsman

- Receiving and acknowledging complaints
- Sorting / Screening / Short listing
- Interim communication to Audit Committee / Managing Director / Whole-time Director/ Whistle Blower Investigation Committee
- Investigation through appropriate delegation / agencies
- Recommend course of action based on investigation to Management
- Prevention of harassment or retaliation to and redressal of complaints of Vigilant person/Whistleblower/Tipster
- Ensuring confidentiality and safety of the Vigilant person from being persecuted within the organization
- Any other related responsibility as decided by the Management
- **The decision on the course of action on the whistleblower's complaint as taken by the Ombudsman will be final.**

#### 3.3 Meetings and Records

- The Ombudsman will maintain its records such as Agenda, Minutes of the Meeting, Complaint Reports and Action initiated etc.

### 4.0 PROCEDURE

#### 4.1 How to report:

A perceived wrongdoing or an act for whistle blowing may be reported by a **Vigilant Person/Whistleblower/Tipster** in written form through e-mail or post. Email address and postal address is furnished at the end of this document.

- The written report should be sent via email or post with sufficient and specific detail along with relevant evidence required to conduct a fair investigation. Ombudsman after considering the report and its contents shall determine if the matter falls under the scope of Vigil mechanism (Refer section 2) and accordingly initiate an independent investigation under Vigil mechanism or classify the report as Non-Vigil and forward the report to the relevant department such as HR or the POSH Committee. All reports should carry sufficient appropriate evidence supporting the allegation/claim. In the absence of sufficient and specific detail along with relevant evidence in support of the allegation/claim, Ombudsman may seek further details from the Whistleblower. If the Whistleblower fails to respond or provide the relevant information or detail or evidence as required by the Ombudsman even after three reminders in 30 days of receiving the complaint then the Ombudsman may decide to close the report without further investigation.
- Status of all reports received via email or post along with results of investigations, actions taken and control recommendations should be forwarded to the Whistle Blower Investigation Committee, for review. After review by the Whistle Blower

investigation Committee, report of all the complaints received and results of investigation should be forwarded to respective entity's Audit committee /Managing Director / Whole-time Director as the case may be.

- The complaint or grievance from a **Vigilant Person/Whistleblower/Tipster** can also be directly submitted to respective entity's Audit Committee/Managing Director / Whole-time Director. The recipient would acknowledge the same and review the issue as deemed necessary and also forward the report to Ombudsman for the record purpose. The recipient will make all efforts to expeditiously look into the complaint received from **Vigilant Person/Whistleblower/Tipster** including reference to the Whistle Blower Investigation Committee.
- Any complaint, whether anonymous or otherwise shall be considered if there is sufficient and specific detail along with relevant evidence provided and a mechanism for the Ombudsman / Committee to seek further details from the complainant with assured confidentiality.

#### **4.2 Independence and Conflict of Interest:**

The Chairman of the Audit Committee of the Board of Directors has direct access to the Whistleblower email ID and shall be informed of complaints received under the mechanism by the Ombudsman. Where there is a complaint against the any member of the investigation Committee other than the ombudsman, such member shall recuse themselves from the investigation in order to ensure that there is no conflict of interest. Where there is a complaint against the Ombudsman, such cases shall be dealt with by the Chairman of the Audit Committee through appropriate means.

#### **4.3 Timeline:**

Generally, the entire investigation process shall be completed within 60 days. In exceptional circumstances, where there are multiple matters/allegations involved, that requires complex field investigation then additional time shall be requested from the Chairman of the Audit Committee. All open investigations at the end of the quarter are updated to the Audit Committee along with reasons of additional time required wherever applicable.

#### **Contact address & e-mail:**

Head Internal Audit, L&T Finance Holdings Ltd., PO Box No: 9760, Vidyanagari, Mumbai - 400 098. Email: [whistleblower@ltfs.com](mailto:whistleblower@ltfs.com)

## **5.0 PROTECTION OF VIGILANT PERSON/WHISTLEBLOWER/TIPSTER**

### **5.1 Freedom to Report**

Directors, employees and service providers should feel free to report matters of wrongdoing to the Whistle Blower Investigation Committee without fear of any repercussion on themselves. The Management assures maintaining anonymity of the Vigilant Person/Whistleblower/Tipster at all times. The Management also affirms that the whistleblower/person exercising vigilance shall be protected from unfair termination, retaliation, threat of termination, disciplinary action, transfer, demotion, refusal of promotion or any other unfair prejudicial employment practices, which the Vigilant

Person/Whistleblower/Tipster may face from any quarters within the Company due to the act of whistle blowing/exercising vigilance.

## **5.2 Assurance of Protection**

If at any time, Vigilant Person/Whistleblower/Tipster perceives or apprehends that he is being unfairly victimized or harassed due to his act of whistle blowing/exercising vigilance, he shall have the right to approach the Ombudsman who will review the Vigilant Person/Whistleblower/Tipsters complaint and take appropriate action, as applicable, to ensure that the Vigilant Person/Whistleblower/Tipster is not so subjected to any unfair or prejudicial employment practices on account of his alleged victimization.

## **6.0 EMPLOYEE AWARENESS**

The Whistle Blower Investigation Committee (WBIC) shall ensure that there is sufficient awareness created about the mechanism through various medium such as new employee induction program, refresher emails, posters etc. The Vigil mechanism policy shall be easily accessible to the Employees, Directors and Service Provider both through intranet and LTFS external website.

## **7.0 COMPOSITION OF WBIC**

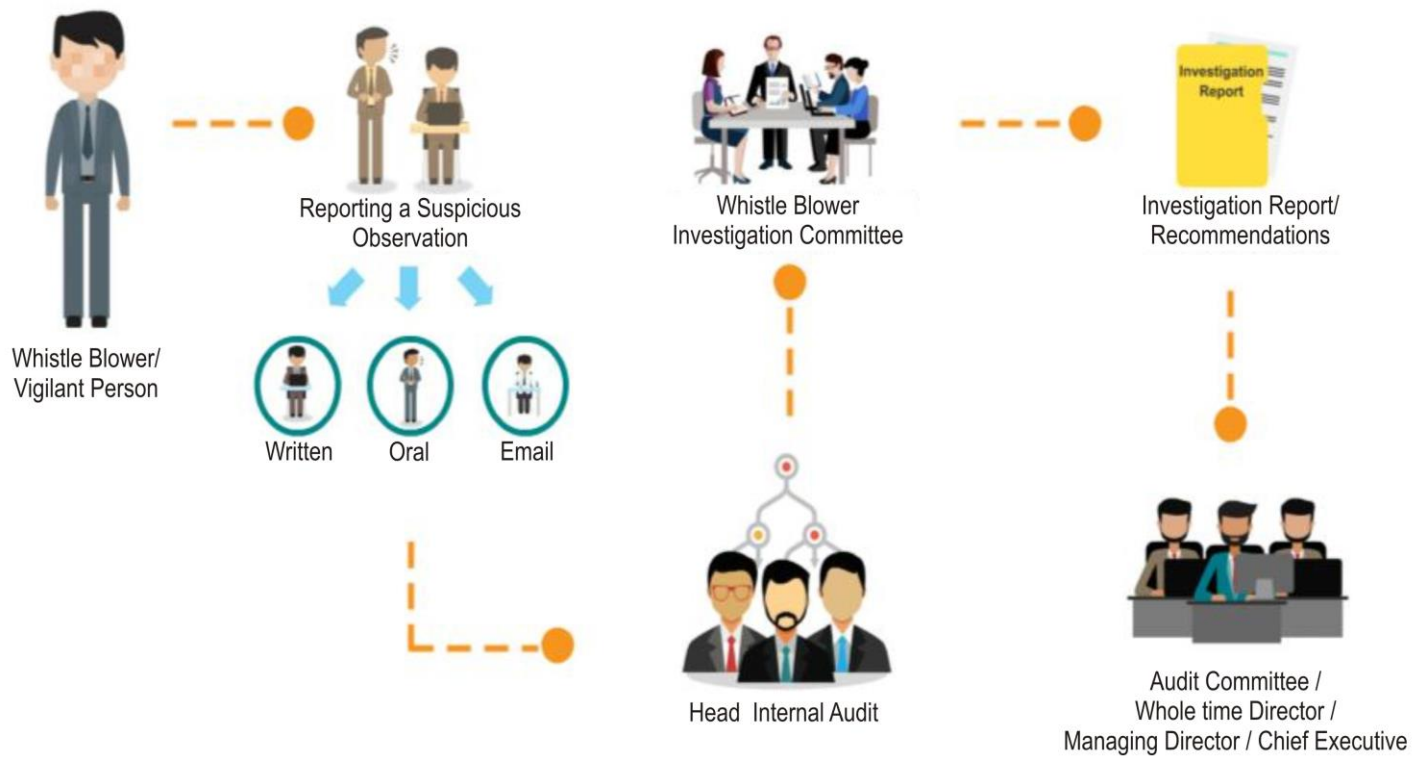
The respective Board of L&T Finance Holdings Limited (LTFH) group companies have reconstituted the Whistle Blower Investigation Committee (WBIC) effective November 14, 2019.

The revised composition of the committee is given below:

Group Chief Financial Officer  
Chief Human Resources Officer  
Head-Group Secretarial  
Head-Internal Audit

Last amended/reviewed in January, 2023 Board Meeting

## VIGIL MECHANISM – WORKFLOW





## Version Control:

Version	Date of adoption	Change Reference	Owner	Approving Authority
1	April 2019	Note 1	IA	BoD
2	October 2019	No Change	IA	BoD
3	October 2020	Note 2	IA	BoD
4	October 2021	No Change	IA	BoD
5	January 2021	Note 3	IA	BoD
6	October 2022	No Change	IA	BoD
7	January 2023	Note 4	IA	BoD

Note 1: Insider trading including front running, self-dealing, leakage of unpublished price sensitive information (UPSI) or suspected leakage of unpublished price sensitive information (UPSI) (Underlined portion got added in Scope – Clause no. 2.2 because of the regulatory change)

Note 2: After reconstitution of the Whistle Blower Investigation Committee effective November 14, 2019, revised composition of committee is now added. A clause under section 4.1 is added regarding access to whistleblower email id.

Note 3:

Definition of whistle blower expanded to include all types of service providers

1. Process in case of conflict of interest is added
2. Timeline for investigation added
3. All types of complaints irrespective of anonymous or otherwise shall be dealt with if sufficient, specific detail and evidence is provided
4. Section on Employee awareness is added

Note 4: The policy allows the individual to raise any concern through oral communication with his/her immediate superior for conversion of oral complaint into a written one. - This has been eliminated based on RBI recommendation as it compromises the identity and secrecy of the complainant. Also, the policy is updated for process of closure of complaints in the absence of sufficient information or evidence supporting the allegation.