



CIN : U65910TN1985PTC128456

Valar Aditi Social Finance Private Limited

(A Micro Finance Initiative)

VIGIL MECHANISM POLICY

(approved by the Board of Directors at the meeting held on 26th September, 2023)

INTRODUCTION

Valar Aditi Social Finance Private Limited (VASFPL) was incorporated on 11th November 1985 and is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India. VASFPL believes in the conduct of affairs of the Company in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

POLICY APPLICABILITY

Section 177 of the Companies Act, 2013, and the Rules thereunder, prescribed that (a) every listed Company, (b) every other Company which accepts deposits from the public and (c) every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores shall establish a vigil mechanism for employees to report genuine concerns in such manner as may be prescribed.

Under these circumstances Valar Aditi Social Finance Private Limited ("The Company") being having borrowings in excess of Rs. 50 Crores proposes to establish a Vigil Mechanism and to formulate a policy for the same. Such mechanism shall enable the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

POLICY OBJECTIVES

The Company promotes ethical behavior in all its business activities and has a mechanism for reporting unethical behavior, actual or suspected frauds or violation of the Company's Code of Conduct or ethics policy. A Vigil (Whistle Blower) mechanism provides a channel to the employees to report to the management about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports etc.

SCOPE

This Policy intends to cover serious concerns that could have grave 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, manipulations, negligence causing danger to public health and safety, misappropriation of the Company's funds/assets or resources, pilferation of confidentiality, Deliberate violation of law/regulation, breach of employees Code of Conduct or rules 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.

ELIGIBILITY

All the employees of the Company are eligible to make Protected Disclosures under the policy in relation to the matters concerning the Company.

PROCEDURE

All Protected Disclosures should be reported in writing by the whistle blower as soon as possible, not later than 30 days after he/she becomes aware of the same and should either be typed or written in a legible handwriting in English/Tamil.

The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Strictly private and confidential – to be opened by the addressee only” at the following address:

The Contact details of the concerned officers are as under:

Name: E.Sundarrajan, General Manager

Address: VALAR ADITI SOCIAL FINANCE PVT LIMITED

Door No 13/1/163 A, Saravana Nagar, Main Road, Paravai, Madurai – 625402.

E-mail: I.D: gm@valaraditi.in

Name: C. Antonisamy, Chief Operating Officer

Address: VALAR ADITI SOCIAL FINANCE PVT LIMITED

Door No 13/1/163 A, Saravana Nagar, Main Road, Paravai, Madurai – 625402.

E-mail: I.D: coo@valaraditi.in

Alternatively, the same can also be sent through email with the subject “Protected disclosure under the Whistle Blower Policy”. If the whistle blower is not super scribed and closed as mentioned above, it will not be possible to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.

Anonymous or pseudonymous protected disclosure shall not be entertained. 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.

On receipt of the protected disclosure the Concerned Officers shall make a record of the Protected Disclosure and will first do a preliminary investigation to check whether the complaint seems to be genuine and falls under the purview of the Whistle Blower Policy. If the complaint is sent with malicious intent, then the officers will take appropriate disciplinary action against the whistle blower.

INVESTIGATION

All protected disclosures under this policy will be recorded and thoroughly investigated. The Concerned Officers may investigate and may at their discretion consider involving any other officer of the Company and/or an outside agency for the purpose of investigation. The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Concerned Persons deem fit. If the investigation cannot be completed within 90 days, then the officers need to have very valid and strong reasons for the same.

PROTECTION

a) No unfair treatment to a Whistle Blower will be permissible by virtue of his/her having reported a Protected Disclosure under this Policy / Mechanism. Complete protection will 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 duties/functions including making further Protected Disclosures.

b) A Whistle Blower may report any violation of the above clause to the Concerned Officers mentioned above. They shall decide who shall investigate into the same and recommend suitable action to the Management.

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

DECISION

If an investigation leads the Concerned Officers to conclude that an improper or unethical act has been committed, they shall recommend to the management of the Company to take such disciplinary or corrective action as they may deem fit including reprimand.

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 / Mechanism shall adhere to the applicable personnel or staff conduct and disciplinary procedures

SECRECY / CONFIDENTIALITY

The Whistle Blower and any person involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

RETENTION OF DOCUMENTS

All Protected disclosures documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 years or such other period as specified by any other law in force, whichever is more.

COMMUNICATION

A Whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed publishing on the notice board and the website of the company.

POWER TO AMEND THE POLICY

The Company reserves the right to amend the Policy. Any change in the policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to review any part of this policy or the entire policy at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.