

CARE Ratings Limited
(Formerly known as Credit Analysis and Research Limited)

WHISTLE BLOWER POLICY

1. Preamble

CARE believes in the conduct of its affairs by adopting highest standards of ethical, moral, legal and professional behaviour. CARE wishes to develop a culture where it should be safe for all employees to raise concern about any unacceptable practice or any event of misconduct. This policy is formulated to provide opportunity to employees to raise concerns about unethical and improper activities or any wrongful conduct in the company and to provide them safeguards from victimisation or any adverse personnel action by higher authorities.

2. Applicability

This policy applies to all the employees and Directors and Rating Committee members of CARE.

3. Policy

- i) It covers wrongful, intended wrongful acts which will have bearing on the operations, performance and image of the Company.
- ii) This does not preclude employees and directors from their duty of confidentiality in course of their work. This also shall not be used for taking up a grievance about a personal situation.

4. Definitions

- i) Alleged wrongful conduct: Alleged wrongful conduct shall mean violation of law, infringement of Company's Code of Conduct or ethical policies, mismanagement, misappropriation of monies, actual or suspected fraud, etc.
- ii) Audit Committee: Audit Committee means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of section 177 of the Companies Act, 2013.
- iii) Code of Conduct: Means the Code of Conduct as in force in the Company.
- iv) Company: Company means Credit Analysis & Research Ltd.
- v) Director: Means a director on the Board of the Company whether whole time or otherwise.

- vi) Disciplinary Action : Means any action that can be taken on the completion of/during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- vii) Employee: Employee means all employees of CARE including whole time Directors of the Company.
- viii) Protected disclosure: means a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- ix) Rating Committee Member: Any member of the Rating/Grading Committee of the Company including outside independent experts.
- x) Subject means a person against or in relation to whom a protected disclosure has been made evidence gathered during the course of an investigation.
- xi) Whistle Officer/Whistle Committee: means those officers/committee of persons nominated to conduct detailed investigations and includes the Auditors of the Company.
- xii) Whistle Blower means an employee of the Company who discloses in good faith any unethical & improper practices or alleged wrongful conduct to Rating/Department Head/Regional Manager and in case of Rating Head/Department Head/Regional Manager to DMD and MD and in exceptional cases to Audit Committee.

5. Scope of Policy Covers malpractices and events which have taken place/suspected to take place involving:

- a) Breach of authority
- b) Breach of Contract
- c) Manipulation of Company data/records
- d) Financial irregularities, fraud, suspected fraud, misrepresentation of financial statements;
- e) Deliberate violation of law/regulation
- e) Criminal offence
- f) Misappropriation of Company funds
- g) Pilferation of confidential/proprietary information
- h) Breach of Code of Conduct of the Company

- i) An act which does not conform to approved standard of social and professional behaviour;
- j) An act which leads to unethical business practices;
- k) Improper or unethical conduct;
- l) Breach of etiquettes or morally offensive behaviour, etc.

Whistle Blower Policy should not be used for raising malicious or unfounded allegations against colleagues and other office bearers.

6. Guiding principles

This policy is on disclosure by an employee of any unethical and improper practices or wrongful conduct. For proper implementation, the Company will ensure that:

- a) Whistle Blower is not victimised;
- b) Victimisation will be treated seriously and would constitute sufficient grounds for taking action against such person;
- c) Complete confidentiality is maintained;
- d) Actions including disciplinary actions are taken against the person who found to be destroying/concealing evidence of the protected disclosure made;
- e) An opportunity of being heard is provided to the Subject.
- f) However this policy does not protect an employee from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

7. False allegation

While it will be ensured that Whistle Blowers are given complete protection, any misuse of this information will warrant disciplinary action. An employee who knowingly makes false allegations of unethical or improper practices or alleged wrongful conduct to MD or Audit Committee shall be subject to disciplinary action including termination of employment.

8. Reporting

An employee who observes or notices any unethical and improper practices or alleged wrongful act in the Company may address the complaints to Managing Director (MD) of the Company and in case complaints involving DMD/MD of the Company these

may be reported directly to Chairman of the Audit Committee. In exceptional cases, these may be reported directly to Chairman of the Audit Committee. The complaints shall not be anonymous.

9. Procedures/Investigation

- 9.1 Employees can make protected disclosure to MD and/or Chairman of the Audit Committee, as the case may be, as soon as they come to know about the same but not later than **30 days** after becoming aware of the same
- 9.2 The disclosure shall be under the signature of the Whistle Blower. Anonymous complaints will not be investigated.
- 9.3 A fact finding Committee may be constituted by MD without disclosing the name of the complainant.
- 9.4 The MD may inquire about the Whistle Blower report and if initial enquiries indicate that the complaint has no basis, or it is not a matter to be pursued under this policy, it may be dismissed and the decision shall be documented.
- 9.5 Where initial enquiries indicate that further investigation is necessary, this will be carried out under directive of MD or of Chairman, Audit Committee, in the manner deemed fit.
- 9.6 The investigation would be conducted in a fair manner as a neutral fact finding process. Whistle Officer/Whistle Committee as deemed fit will be entrusted the job of further probing.
- 9.7 The Whistle Officer/Committee shall:
 - a) make a detailed report containing facts of the matter, same protected disclosure was earlier made and enquiry held, whether protected disclosure was earlier made against the same subject
 - b) Loss incurred/would be incurred by the Company
 - c) Findings of the Whistle Committee/Officer
 - d) Recommendations on actions, if any to be taken
- 9.8 The report shall be submitted within 15 days of appointment of Whistle Officer/Committee. In case, more time is required approval to be taken from the appointing authority.

10. **Investigation Report**

9.1 Based on the examination of the findings of the enquiry, MD or Chairman, Audit Committee would initiate appropriate action. Preventive measures would be taken to prevent re-occurrence of the incidents.

9.2 A quarterly report with number of complaints received, if any under the policy and their outcome will be placed before the Audit Committee and the Board.

11. **Protection**

No adverse action shall be taken or recommended against an employee in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This policy protects such employees from unfair termination and unfair prejudicial employment practices. However this policy does not protect an employee from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy. The identity of the Whistle blower as well as any other employee assisting in the investigation will also be kept confidential and protected.

12. A quarterly status report on the number of complaints received during the quarter along with the results of investigation and action taken on findings of the complaints will be placed before the Audit Committee and the Board.