

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Parsvnath Developers Limited

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1. PREFACE

This Vigil Mechanism / Whistle Blower Policy has been formulated pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Insider Regulations") and has been amended and approved by the Board of Directors of the Company at its meeting held on February 12, 2021. An Audit Committee shall oversee the vigil mechanism and if any of the members of the Committee have a conflict of interest in a given case, they should recuse themselves and the other members of the Committee would deal with the matter in hand.

2. OBJECTIVE

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its Directors and Employees who have genuine concerns about suspected fraud or misconduct to come forward and express their concerns without fear of victimization or unfair treatment and has accordingly adopted a Code of Conduct for Corporate Governance ("Code") applicable to the Directors and Senior Management Personnel, to regulate and build a strong culture of corporate governance, by promoting transparency and ethical conduct in its business operations, along with providing the framework within which the Company expects its business operations to be carried out. The Vigil Mechanism/ Whistle Blower Policy is an extension of the Company's aforesaid Code of Conduct through which the Company seeks to provide a channel/platform to encourage its Directors and Employees to disclose/ report any unethical and/or improper practice(s) taking place in the Company, actual or suspected fraud or violation of the Codes of Conduct or legal or regulatory requirements etc. or to report any instances of leak of Unpublished Price Sensitive Information (UPSI) for appropriate action and reporting. Such a vigil mechanism shall provide for adequate safeguards against victimization of Directors and Employees who avail of such mechanism for making disclosures in good faith and also make provisions for direct access to the Chairperson of Audit Committee in appropriate or exceptional cases.



3. SCOPE

This Policy/ mechanism intends to cover concerns that could have grave impact on the operations and performance 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 monies, and other matters or activity on account of which the interest of the Company is affected, instances of leak of UPSI 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 a grievance about a personal situation.

4. APPLICABILITY

This Policy/ mechanism shall be applicable to Directors and Employees of the Company and shall also extend to Directors and Employees of subsidiary companies and associate companies. Stakeholder of the Company, who is believed to have information / knowledge, may report instances of leak of UPSI.

5. DEFINITIONS

- 5.1 **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the Listing Regulations, as amended from time to time.
- 5.2 **“Code”** means Code of Conduct for Corporate Governance for Directors and Senior Management Personnel adopted by the Company.
- 5.3 **“Company”** means Parsvnath Developers Limited
- 5.4 **“Director”** means any executive, non-executive, independent, nominee or alternate Director of the Company.
- 5.5 **“Disclosure”** means any communication in writing in relation to an Unethical Practice (including anonymous disclosures) made in good faith by the Whistle Blower to the designated personnel under this policy.



- 5.6** “Employee” means every Employee of the Company, including the Executive Directors in the employment of the Company.
- 5.7** “Protected Disclosure” means a genuine concern or grievance raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity, and includes instances of leak of UPSI. Protected Disclosures should be factual and not speculative in nature.
- 5.8** “Subject Employee” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 5.9** “Unethical Practice” means and includes, but not limited to, the following activities/ improper practices being followed in the Company:
- i. Manipulation of Company data / records;
 - ii. Abuse of authority at any defined level in the Company;
 - iii. Disclosure of confidential / proprietary information to unauthorized personnel;
 - iv. Any violation of applicable legal law and regulations to the Company, thereby exposing the Company to penalties/ fines;
 - v. Any instances of misappropriation of Company assets;
 - vi. Activity violating any laid down Company policy, including the Code of Conduct;
 - vii. Any other activities whether unethical or improper in nature and injurious to the interests of the Company.
- 5.10 Unpublished Price Sensitive Information or UPSI:** Unpublished Price Sensitive Information means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily including but not restricted to, information relating to the following:–
- i. financial results;
 - ii. dividends;
 - iii. change in capital structure;
 - iv. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - v. changes in key managerial personnel;



- 5.11 “Whistle Blowers” shall mean and include the following categories of people:
- Employees of the Company;
 - Directors of the Company;
 - Stakeholder of the Company who is believed to have information / knowledge of instances of leak of UPSI.
- 5.12 “Whistle and Ethics Officer” means the Company Secretary of the Company and includes any officer of the Company nominated by the Audit Committee 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 results thereof.

6. PROCEDURE FOR REPORTING

- 6.1 All Protected Disclosures should be reported in writing by the whistle blowers as soon as possible after the Whistle Blowers becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi.
- 6.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be super-scribed as “Protected disclosure under the Vigil Mechanism / Whistle Blower policy”. Alternatively, the same can also be sent through e-mail with the subject “Protected disclosure under the Vigil Mechanism/ Whistle Blower policy”. In order to protect identity of the whistle blowers, the Whistle & Ethics Officer will not issue any acknowledgement to the whistle blower and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Whistle & Ethics Officer.
- 6.3 The Whistle and Ethics Officer or the Chairperson of the Audit Committee, as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- 6.4 All Protected Disclosures should be addressed to the Whistle & Ethics Officer of the Company or to Chairperson of the Audit Committee in exceptional cases. The contact details of the Whistle & Ethics Officer are as under:-



Company Secretary
Parsvnath Developers Limited
4th Floor, Parsvnath Tower,
Near Shahdara Metro Station,
Shahdara, Delhi – 110032
e-mail: secretarial@parsvnath.com

- 6.6 The Whistle Blowers must take care of the following issues, while reporting any Disclosures under this policy:
- i. The Disclosures made should bring out a clear understanding of the issue being raised.
 - ii. The Disclosures made should not be merely speculative in nature but should be based on actual facts.
 - iii. The Disclosure made should not be in the nature of a conclusion and should contain as much specific and quantitative information with supporting documents to the extent possible to allow for proper conduct of the inquiry/ investigation.
- 6.7 On receipt of the protected disclosure, the Whistle and Ethics Officer / Chairperson of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure. The record will include:
- Brief facts of the Protected Disclosures;
 - Whether the same Protected Disclosure was raised previously by anyone on the same/ different subject, and if so, the outcome thereof;
 - Details of actions taken by Whistle & Ethics Officer / Chairperson of Audit Committee, as the case may be, for processing the complaint
 - Findings of the Whistle & Ethics Officer / Chairperson of Audit Committee
 - The recommendations of the Audit Committee/ other action(s).
- 6.8 The Chairperson of Audit Committee, if deems fit, may call for further information or particulars from the whistle blowers.

7. INVESTIGATION

- 7.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle & Ethics Officer of the Company who will investigate / oversee the investigations under the authorization of the Chairperson of the Audit committee. The



Whistle & Ethics Officer / Chairperson of the Audit Committee may at its discretion consider involving any investigators for the purpose of Investigation.

Provided that reporting of leak of UPSI shall be inquired into in pursuance of the "Policy and Procedures for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information" formulated by the Company pursuant to Sub-Regulation 5 of Regulation 9A of the Insider Regulations and accordingly the decision / action under the said Policy and Procedures shall follow.

- 7.2 The decision to conduct an investigation taken into a Protected Disclosure by Whistle & Ethics Officer / Chairperson of the Audit Committee is not an acceptance of the accusation by them and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.
- 7.3 The identity of a Subject Employee will be kept confidential to the extent possible given the legitimate needs of the investigation.
- 7.4 Unless there are compelling reasons not to do so, Subject Employee will be given reasonable opportunity for hearing their side during the investigation. No allegation of wrongdoing against a Subject Employee shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.5 Subject Employee shall have a duty to co-operate with the Whistle & Ethics Officer / Chairperson of Audit Committee during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- 7.6 Subject Employee shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.
- 7.7 Subject Employee shall 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 Subject Employee.
- 7.8 Subject Employee have a right to be informed of the outcome of the investigation.
- 7.9 Whistle & Ethics Officer shall complete the investigation within 90 days of the receipt of protected disclosure or such extended period as may be allowed by the Audit Committee.



- 7.10 In case the allegations against subject employee are substantiated by the Whistle & Ethics Officer in his report, the Audit Committee shall give an opportunity to Subject employee to explain his / her side.
- 7.11 In case of repeated frivolous complaints being filed by or against a director or an employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand.

8. PROTECTION TO WHISTLE BLOWER

- 8.1 The identity of the Whistle Blowers, Subject Employee and any other Employee assisting the inquiry/ investigation, shall be kept confidential at all times, except during the course of any legal proceedings, where a Disclosure/ statement is required to be filed.
- 8.2 The Company, as a policy, strongly condemns any kind of discrimination, harassment or any other unfair employment practice being adopted against the Whistle Blowers for Disclosures made under this policy. No unfair treatment shall be meted out towards the Whistle Blower by virtue of his/her having reported a Disclosure under this policy and the Company shall ensure that full protection has been granted to him/her against:
- i. Unfair employment practices like retaliation, threat or intimidation of termination/suspension of services, etc.;
 - ii. Disciplinary action including transfer, demotion, refusal of promotion, etc.;
 - iii. Direct or indirect abuse of authority to obstruct the Whistle Blowers right to continue performance of his duties/functions during routine daily operations, including making further Disclosures under this policy.

9. CONFIDENTIALITY

The Whistle Blowers, Whistle and Ethics Officer, Chairperson of Audit Committee, the Subject Employee and everybody 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.
- Not keep the papers unattended anywhere at any time
- Keep the electronic mails / files under password.



10. DECISION

- 10.1 If an investigation leads the Whistle and Ethics Officer / Chairperson of the Audit Committee to conclude that an improper or unethical act has been committed, the Whistle & Ethics Officer / Chairperson of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject Employee 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.
- 10.2 If the report of investigation is not to the satisfaction of the whistle blowers, the whistle blowers has the right to report the event to the appropriate legal or investigating agency. The whistle blowers who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Whistle & Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

11. ACCESS TO CHAIRPERSON OF THE AUDIT COMMITTEE

The Whistle Blowers shall have right to access Chairperson of the Audit Committee directly in appropriate or exceptional cases.

12. COMMUNICATION

- 12.1 The Policy should be properly communicated to all concerned by uploading the same on the website of the Company.
- 12.2 The Whistle & Ethics officer shall submit a report to the Chairperson of the Audit Committee on a regular basis about all Protected Disclosures referred to him since the last report together with the results of investigations, if any.

13. RETENTION OF DOCUMENTS

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of minimum 8 (Eight) years.



14. ADMINISTRATION AND REVIEW OF THE POLICY

A quarterly status report about the functioning of the Vigil Mechanism /Whistle Blower Policy including therein , the total number of complaints received, if any, during the period with summary of the findings of Whistle & Ethics Officer / Chairperson of the Audit Committee and corrective steps taken shall be placed before the Audit Committee. The Audit Committee shall be responsible for the administration, interpretation, application and review of this policy.

15. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing. Further, investigation, if any initiated under former policy shall continue to be investigated in terms of the said policy, even after commencement of the amended policy.

