

Bajaj Housing Finance Ltd.

**DISCIPLINARY ACTIONS AND GRIEVANCE REDRESSAL POLICY
(Policy and Process Document)**

1. Purpose

The policy aims to create an internal governance framework for the organization that defines 'unacceptable' employee actions and the resultant redressal approach to address such instances. It is designed to achieve fair methods for dealing with disciplinary and other matters (including conduct, capability and attendance), thereby contributing to sound relationships between Bajaj Housing Finance Limited ("BHFL or the "Company") and its employees.

The policy is not intended to be punitive in nature but outlines a staircase methodology and specifies action committees who would be responsible to investigate and address various type of incidents as and when they are reported and/or identified. However, the procedural steps set out in this policy are a guide to be taken to deal with each situation reasonably and, wherever possible, help the person concerned to improve their conduct of behavior to reach acceptable standards. The steps taken will depend upon the circumstances in each case and

the point at which the disciplinary procedure is initiated, or the omission of any of the stages, will depend entirely on the seriousness and the nature of the misconduct.

Further, this policy also encourages employees to voice concerns about perceived injustice, mistreatment, or persistent obstacles caused due to interpersonal issues or issues arising from interpretation and implementation of Company's policies and processes. The idea is to emphasize on the importance of a harmonious relationship amongst the employees and to facilitate them to be able to address any grievances relating to their employment with the Company and in relation to inter se interaction with superiors and/or peers at the workplace. These Procedures have been drafted pursuant to Section 9C of the Industrial Disputes Act, 1947 for the resolution of grievances raised by the employees.

2. Policy scope

This policy and process document along with its annexure(s) is applicable to all employees including trainees, management trainees, apprentices, interns and full-time employees of BHFL.

3. Roles and Responsibilities

Company's Expectations:

- 3.1 All the employees shall update themselves with the procedures set out in this policy and to carry out your job in accordance with the Policy / Process applicable to your role.
- 3.2 All the employees shall comply with the Code of Conduct and policies of the Company and shall not engage in any act/omission resulting into an infraction at all times.
- 3.3 To maintain effective and professional work relationships with colleagues / fellow staff and treat all with dignity and respect.
- 3.4 To behave appropriately and in line with all the Company's rules, policies and procedures with colleagues/fellow staff/team, customers, visitors to the Company and at all times, understanding the impact of your behavior on others
- 3.5 To clarify expectations, behaviors and rules with your reporting manager, if you are unsure about them.
- 3.6 The employees shall co-operate with their reporting manager, Human Resource ("HR") and the Disciplinary Action Committee ("DAC") and participate in the disciplinary proceedings as and when required for the resolution of the infractions alleged against him/her.

Manager's Responsibility:

- 3.7 Manage and to set an example to all staff/team through their own conduct and behavior.
- 3.8 Reinforce clear standards for the conduct of all staff/team that they manage and provide appropriate feedback to their staff/team in respect of their conduct.
- 3.9 The reporting manager shall endeavor to resolve the issues of potential infractions initially through informal discussion with the employee.
- 3.10 The reporting manager shall act promptly upon receipt of a complaint against any employee and where necessary, shall ascertain the veracity of the complaint and its background
- 3.11 The reporting manager, in consultation with the HR, will be responsible to issue the necessary communication to the employee, upon finalization of the decision of the DAC and will, along with the HR, be responsible for ensuring that the decision is fully implemented.
- 3.12 The reporting manager shall monitor the employee's improvement, or lack thereof, in applying the prescribed corrective action.

3.13 The Manager shall seek advice from the HR on the policy and procedure where they are unsure how to proceed.

Others:

1.14 The complainant will not be penalized in any manner and no retaliatory action will be taken against anyone for reporting or inquiring in good faith about potential infractions or for seeking guidance on how to handle suspected infractions. However, the Company reserves the right to take appropriate action against the complainant in case of frivolous and false complaints.

3.15 HR shall be responsible to spread awareness amongst all the employees with respect to these procedures and shall ensure that new employees are made aware of these procedures at the time of induction. HR will clarify any queries that the employees may have in relation to these procedures set out in this policy.

3.16 HR will be responsible to ensure facilitation of the disciplinary proceedings and will assist in the implementation of the disciplinary action recommended by the DAC.

4. Disciplinary Policy & Procedures

The procedures are primarily tools to help and encourage improvement amongst employees/ staff whose conduct is unsatisfactory and are not viewed simply as a way of imposing sanctions.

4.1 Primary Areas for Disciplinary Action

There are two primary areas in which disciplinary action may be required in order to maintain the smooth and effective running of BHFL. The two areas are:

4.1.1 Misconduct – This applies where it is alleged that there is some fault or blame on the part of the employee concerned. Misconduct can include, but will not be limited to, indulging in verbal abuse, persistent poor timekeeping, insubordination, disruptive behaviour or any other act which BHFL considers to be a breach of the standards of discipline/ behaviour required.

4.2.2 Gross misconduct – Gross misconduct includes, but is not limited to, the incidents and/or actions indicated below which are not conclusive of all actions that shall be considered as within the scope of 'Major Misconduct' in this Disciplinary Action Policy ("**DAP**"). The severity of the action will be duly assessed by the DAC and appropriate categorization of action would occur there-in which may map an action as either Minor, Medium or Major severity and may in-turn be added to this list of Major Misconduct detailed below, :-

- Failure to work in accordance with prescribed Company guidelines, policies, procedures and Code of Conduct.
- Sexual harassment at the workplace (which will be dealt as per the Sexual Harassment Policy);
- Breach of confidentiality, prejudicial to the interest of the Company.
- Consumption of drugs or alcohol during office hours/premises.
- Breach of IT policy/ procedures like Password sharing, Unauthorized sharing of private, confidential or proprietary data, including customer data, with

external parties (except as required by law, regulations or on the instructions of a regulatory authority);

- Unauthorized possession of Company's property/assets.
- Storing or accessing or sharing the illicit content on the organization's assets, such as desktop/laptop (within or outside the organization);
- Breach of Security Procedures.
- Physical assault, Violence or Intimidation at the workplace.
- Display of unprofessional behavior, dishonesty, insubordination, indiscipline and misbehavior with seniors or colleagues
- Moral turpitude (including non-adherence to the norms of acceptable interaction and behavior in office or outside office);
- Frequent absence from work /Absconding from work/services for a period of 7 consecutive working days without valid reason, notification or authorization/approval.
- False declaration of qualifications or professional registration or concealing/ omitting critical information as part of Background verification report.
- Tampering and manipulating official documents or serious omission of facts
- Falsification of records (for example, information relating to employment, expense claims etc.)
- Malfeasance, financial misappropriation or other financial irregularities perpetrates while in employment of the Company.
- Misappropriation, Misuse or willful damage to the property or reputation of the Company.
- Bribing or attempting to bribe another individual, or personally taking or knowingly allowing another person to take a bribe.
- Striking work or inciting/abetting others to strike from doing work.
- Victimization of other employees.
- Conduct prejudicial to the best interests of the Company.
- Non-compliance/violation of laws, regulations, guidelines and procedures (such as RBI, SEBI, NHB etc.);
- Damage or apprehended damage to the Company's reputation.
- Non-compliance with service rules and repeated minor misconducts.
- Any other acts/ incidents that may amount to a serious criminal offence under law and/or is prejudicial to the best interests of the Company.

4.2.3

a) **Incidence where FIR has been filed with Police**

FIR is filed by BHFL and/or by customer for confirmed financial misappropriation case (post investigation) and committed financial misappropriation amount is greater than Rs 15 Lacs as on date of identification

b) **Incidence that may involve financial loss/ cash embezzlement/ misrepresentation (submission of fake documents for income/ employment/ address/ business setup) - Rs 1 lac above**

Cases where systemic financial misappropriation has been observed and committed financial misappropriation amount is greater than Rs. 15 Lacs as on the date of identification. Systemic financial misappropriation includes financial misappropriation s tagged to a single modus/incident involving multiple loans from one location

c) Incidence that may involve financial loss/ cash embezzlement/ misrepresentation (submission of fake documents for income/ employment/ address/ business setup) - Rs 1 lac above

Individual case of Incidence that may involve financial loss/ cash embezzlement case where committed financial misappropriation amount is greater than Rs.15 Lacs on date of identification.

Others:

- Any cases (including media/Identity theft /NHB or RBI reported cases) where post RCU investigation it is proven that case is of committed financial misappropriation and amount involved is greater than Rs. 50 Lacs
- All other cases apart from the above will be reviewed by CRO & DAC committee

4.2.4 Statutory and regulatory reporting of financial misappropriation

- Any financial misappropriation that falls under the fraud policy will be reported to the regulators as per the financial misappropriation Reporting and Monitoring Policy

4.2 Severity Categorization.

Minor Severity Incidents

An incident shall be categorized as 'Minor Severity' if it is ascertained that it has occurred unintentionally and that such action(s) was unusual and outside the scope of normal business practices and that it has resulted in a cognizable and negative impact.

Such actions shall, by virtue of their severity attract a corrective response from the designated authority, who would aim to address the severity of such negative actions to the concerned employee in a way that he/she understands the damage caused by his/her actions and is reasonably punished to curtail a recurrence of such action in the near future.

Medium Severity Incidents

An incident shall be categorized as 'Medium Severity' if it is ascertained that it has occurred consciously and that such action(s) has resulted in a cognizable and negative impact.

Such actions shall by virtue of their severity attract a corrective action from the designated authority, who would aim to exemplify the severity of such negative actions to the concerned employee and the organization in general in a way such that he/she understands the damage caused by his/her actions and is reasonably punished to either curtail the recurrence of such action in the near future, or permanently limit any future opportunity for such action to be repeated by the concerned employee(s).

Major Severity Incidents

An incident shall be categorized as 'Major Severity' if it is ascertained that it has occurred consciously, and beyond the reasonably accepted scope of business practice, thus resulting in a permanent, objectionable and significant negative impact.

Such actions shall by virtue of their severity attract strong corrective action (including termination of employment) from the designated authority, who would aim to exemplify the severity of such negative actions to the concerned employee and to all the members of the organization in general. In addition to

disciplinary action that may be initiated by the Company, further legal action may also be initiated by the organization to the extent as prescribed by applicable laws in India.

Any actions undertaken at an individual level, while representing the organization/Company or otherwise, including during international visits or contest trips or off site(s) or recreational trips organized by or on behalf of the Company which result in tarnishing the Company's image will be treated as a major severity incident.

The Company shall also reserve the right to initiate civil and criminal proceedings, if required, to ensure safekeeping of the organisation's image and reputation.

4.3 CATEGORIZATION OF INCIDENT TYPES

ISSUE TYPE 1 – CORPORATE

Any issue which directly violates a regulatory requirement or aspect of compliance such that it puts the Company into legal and social jeopardy shall map under the 'Corporate Affairs' category. e.g.

- Actions leading to 'Defamation' of the Company's brand image.
- Misappropriation of Company funds.
- Misconduct resulting in negative impact to Company's image.
- Acts resulting in Legal proceedings.
- Instances of password sharing
- Instances for dealing in securities in contravention to securities policy
- Instances of discrepancies identified during Background verification process

ISSUE TYPE 2 – BUSINESS

Any issue which directly or indirectly contravenes with the normal business pattern and/ or course of action such that it puts a temporary or permanent stoppage to the work flow in a business unit or business enabling unit and/ or results in a cause which requires to be normalized by corrective action so as to make good impact to business delivery or reporting. e.g.

- Policy and Process non- adherence
- Financial misappropriation, Cash Funding and Misappropriation
- Document forgery
- Any other acts/ incidents which may amount to a criminal offence under Indian Penal Code.

- Unauthorized disclosure of information which is confidential in nature and includes information pertaining or relating to the Company, its business, customers, employees or administration.

ISSUE TYPE 3 – EMPLOYEE CONDUCT

Any issue which directly or indirectly relates to an employee causing cognizable negative impact or hurt to another employee either physically or psychologically by actions or words which are not within the meaning of acceptable work behavior as prescribed by the organization. e.g.

- Indecent office demeanor
- Verbal Abuse
- Physical Assault
- Suppression and/ or misreporting of facts, figures and information
- Coercion
- Any other acts/ incidents which may amount to a criminal offence under Indian Penal Code.
- Non-reporting of malpractices despite having knowledge of same.
- Violation of Information Technology, Code of Conduct and/ or Separation policy.

4.4 Composition & Quorum of Disciplinary Action Committee

DAC shall consist of certain senior management representatives from different functional areas in the organization (as per Annexure 1).

However, if a complaint is lodged with the DAC against one of its members, such member against whom the complaint has been registered will be removed from the DAC. In such cases the management shall identify another senior management member as a replacement.

The minimum quorum required for conducting meeting of DAC shall be the presence of atleast three (3) members.

4.5 Investigation

At every instance of disciplinary misconduct, the procedure stated below has to be followed.

When informed of a case of disciplinary misconduct, the disciplinary proceedings shall be initiated by the disciplinary committee or an ad-hoc disciplinary committee.

- a. An independent investigating officer (or an authorised person having no interest in the matter, shall be appointed /authorised by the DAC. officer or the person will, where appropriate, investigate the facts and collate all the evidence as soon as reasonably practicable.
- b. The officer or person engaged in an investigation should keep an open mind and should not judge the issues until all of the facts have been ascertained.
- c. The officer or person investigating the matter may briefly record the conversation over email and obtain acceptance confirmation from the witnesses
- d. The Company will endeavour to gather all the evidence and interview relevant witnesses.
- e. No decisions will be taken until the investigation and the disciplinary procedure has been completed.

- f. The employee will not normally have the right to legal representation/ hearing at the investigation stage. In exceptional circumstances involving gross misconduct, a modified procedure may apply with the approval of the HR Department.
- g. When dealing with information from witnesses, who wish to provide such evidence in confidence, it will still be preferable to obtain a written statement or through any other electronic means (Video Recording/E-mail) of communication.
Alternately, the official investigating the matter may briefly record the conversation over email and obtain acceptance confirmation from the witnesses.
- h. Where possible those individuals interviewed will be assured of anonymity and discretion at all stages of the investigation. Further, all the individuals involved in the disciplinary process are required to ensure that confidentiality is maintained throughout the disciplinary action process.
- i. Publishing/ communicating or in any other manner making known to the public, press or media or to any other person who is not authorised to receive, any information in relation to the process, the identity of the employees involved, the investigation and disciplinary proceedings, recommendations of the DAC, is strictly prohibited and appropriate action shall be taken against the defaulting employee.

4.6 Disciplinary Inquiry

Once it has been determined basis a preliminary inquiry that the alleged act committed by an employee necessitates a disciplinary inquiry, the investigating officer shall notify the concerned employee that a disciplinary inquiry is to be conducted in order to enquire into the alleged misconduct.

No disciplinary action shall be taken for an act of misconduct unless it is preceded by a disciplinary inquiry and disciplinary proceedings in accordance with the DAP.

4.7 Manner of Disciplinary Proceedings

The disciplinary proceedings shall be conducted in a professional and constructive way and with utmost confidentiality and shall involve the following steps:

- (a) Investigation of the misconduct by the investigating officer including conducting interviews of the relevant persons and inspection of the necessary documents and records.
- (b) Investigating Officer or DAC may assign investigation to Audit, Risk, HR, or any appropriate department in the organization or any external agency, if it involves certain expertise / specialized services, depending on severity of a case.
- (c) If the outcome of the investigation reveals sufficient evidence in relation to the misconduct, the investigation officer shall prepare a charge sheet clearly setting forth the findings of the investigation and the nature of charges against the concerned employee. Such charge sheet is to be submitted with the HR within [10] working days of his/ her appointment.
- (d) The charge sheet along with the findings of the investigation shall be sent to the concerned employee along with a show cause notice providing the employee with the opportunity to provide a written response defending his/ her case within a reasonable time frame. A copy of the charge sheet and the findings of the investigation shall also be sent to the DAC.
However, where there is confession from the employee at any stage of investigation Show Cause need not be issued.

- (e) Following receipt of the charge sheet, investigation findings and response from the concerned employee, the DAC shall hold a hearing in accordance with the principles of natural justice. The employee will be entitled to inspect the documents and records produced as evidence and cross-examine the witnesses, if any.
- (f) In the event that the employee fails to attend the hearing despite reminders or does not reasonably co-operate in the investigation with a view to delay the process, the DAC will be entitled to base its decision basis the response submitted by the employee and the information available at hand;
- (g) After the hearing, the DAC shall prepare a report along with its recommended action based on the findings of investigation and submissions made before the DAC at the hearing and send the same to the HR department for taking necessary action.
- (h) The DAC may take any of the actions depending on the findings of the investigation report, submission of the employee and other facts and circumstances submitted: (i) No Action; (ii) Counselling; (iii) Verbal Warning; (iv) Written Warning; (v) Demotion; or (vi) Termination from employment; (vii) Incentive Docking or any suitable action (defined in Annexure 2).
- (i) Upon receiving the report of the DAC, the HR department will issue a closure letter to the employee as soon as possible informing such employee of the decision of the DAC and reasons for the same.
- (j) The disciplinary proceedings should be completed within [90] days once it has been determined that the act of misconduct necessitates a disciplinary action. The period of [90] days may only be extended by the DAC for cogent reasons.

4.8 Employees' Rights

At each stage of the disciplinary procedure, the employee shall have the right:

- To be informed of the complaint against them and to be given the opportunity to present their case and call witnesses to support their case, as appropriate.
- To investigate the facts as may be appropriate before taking action under the formal parts of this procedure.
- To be advised of their interviewer, in the event that they are called for a formal interview.
- To be given the reason for any penalty imposed, in writing.

4.9 Postponement of Hearing

If it is not reasonably practicable for the employee or the DAC to attend a hearing under the disciplinary procedure for a reason which was not foreseeable when the meeting was arranged, the DAC shall arrange another meeting to take place at a reasonable time and location to discuss the issues of concern.

If the DAC has invited the employee to attend two meetings and the circumstances referred to in this paragraph applied in relation to each of them, the DAC will consider whether to call a further meeting. The employee should inform the DAC as soon as possible if he/ she cannot attend the meeting.

5. Disciplinary Action Staircase

The below table is indicative and does not set out an exhaustive list of incidents and the approach that the Company may adopt to deal with each type of incident. Depending upon the severity of the incident, the management may deviate from the approach stipulated in this table.

Issue Type	Type of Misconduct	Severity & Disciplinary Actions (Indicative)		
		Minor Severity	Medium Severity	Major Severity
Corporate Issues	Decision Making beyond the level of authority. (e.g. Speaking to Media about the company)	<ol style="list-style-type: none"> 1. No Action 2. Counselling 3. Verbal Warning 	<ol style="list-style-type: none"> 1. Suspension 2. Written warning 3. Incentive Docking 	Termination
	<ul style="list-style-type: none"> • Actions leading to 'Defamation' of the Company's brand image. • Impersonation • Misconduct resulting in negative impact to Company's image (Bribery). • Misappropriation of Company funds & acts resulting to Legal proceedings. 			Termination
Business Issues	<ul style="list-style-type: none"> • Decision Making beyond the level of authority (e.g. IRR Approval beyond the level of authority) • Non- Adherence to Business Policy and Process • Involvement in unauthorized disclosure of information which is confidential in nature and includes information pertaining or relating to the Company, its business, customers, employees or administration. <p>Involvement in Document & Signature Forgery, any other acts/ incidents which may amount to a criminal offence under Indian Penal Code.</p>	<ol style="list-style-type: none"> 1. No Action 2. Counselling 3. Verbal Warning 	<ol style="list-style-type: none"> 1.Suspension 2.Written warning 3.Incentive Docking 	Termination
	<ul style="list-style-type: none"> • Involvement in financial misappropriation, Cash Funding 			Termination

	and Misappropriation of company funds, tampering of accounts, forgery/fabrication of documents.			
Employee Conduct	<ul style="list-style-type: none"> • Decision Making beyond the level of authority, reporting of inflated cost/expenditure, issuing / submission of incorrect receipts/bills/invoices/claims. • Involvement in Suppression of any information and or misreporting/misrepresentation of facts, figures and information, Coercion, any other acts/ incidents which may amount to a criminal offence under Indian Penal Code (Fake Employee Claims and Reimbursement) • Involvement in Indecent office demeanour, Verbal Abuse, Unparliamentary language, Non-reporting of malpractices despite having knowledge of same. • Involvement in misbehaviour with office colleagues/business partners/ Service providers/Vendors. 	<ol style="list-style-type: none"> 1.No Action 2.Counselling 3. Verbal Warning 	<ol style="list-style-type: none"> 1. Suspension 2. Written warning 3. Incentive Docking 	Termination

	<ul style="list-style-type: none"> • Violation of Hiring Process (Hiding of facts) • Violation of Information Technology (INFO SEC - Sharing of official Information to Personal Mail ID) • Involvement in Physical Assault or Damage to company property or Indecent office demeanour 			
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	<ul style="list-style-type: none"> Entering office under the influence of Alcohol/drugs. 			
Business Issues	<ul style="list-style-type: none"> Decision Making beyond the level of authority (e.g. IRR Approval beyond the level of authority) Non- Adherence to Business Policy and Process Involvement in unauthorized disclosure of information which is confidential in nature and includes information pertaining or relating to the Company, its business, customers, employees or administration. Involvement in Document & Signature Forgery, any other acts/ incidents which may amount to a criminal offence under Indian Penal Code. 	<ol style="list-style-type: none"> No Action Counselling Verbal Warning 	<ol style="list-style-type: none"> Suspension Written warning Incentive Docking 	Termination
	<ul style="list-style-type: none"> Involvement in financial misappropriation, Cash Funding and Misappropriation of company funds, tampering of accounts, forgery/fabrication of documents. 			Termination

Employee Conduct	<ul style="list-style-type: none"> • Decision Making beyond the level of authority, reporting of inflated cost/expenditure, issuing / submission of incorrect receipts/bills/invoices/claims. • Involvement in Suppression of any information and or misreporting/misrepresentation of facts, figures and information, Coercion, any other acts/ incidents which may amount to a criminal offence under Indian Penal Code (Fake Employee Claims and Reimbursement) • Involvement in Indecent office demeanour, Verbal Abuse, Unparliamentary language, Non-reporting of malpractices despite having knowledge of same. • Involvement in misbehaviour with office colleagues/business partners/ Service providers/Vendors. • Violation of Hiring Process (Hiding of facts) • Violation of Information Technology (INFO SEC - Sharing of official Information to Personal Mail ID) 	<ol style="list-style-type: none"> 1. No Action 2. Counselling 3. Verbal Warning 	<ol style="list-style-type: none"> 1. Suspension 2. Written warning 3. Incentive Docking 	Termination
	<ul style="list-style-type: none"> • Involvement in Physical Assault or Damage to company property or Indecent office demeanour • Entering office under the influence of Alcohol/drugs. 			Termination

IMPORTANT NOTE

- Legal intervention/recourse shall be resorted by the organization as and when it is felt necessary by the organization.

6. Suspension Process:

6.1 Reasons for suspension are detailed out in Annexure 2 to this policy.

6.2 The employee shall be informed in writing about the suspension from duty and that the suspension will be on full pay and benefits whilst the investigation is being conducted.

6.3 The suspension letter would include the following:

- a) the reason for the suspension,
- b) the date and time from which the suspension will operate,
- c) the expected duration of the ongoing investigation, and (d) the right of the Company to further extend the suspension.

6.4 Suspension will be jointly reviewed on a regular basis by the HR and care will be taken to ensure that the suspension is not unnecessarily protracted.

6.5 Employees shall, if suspended, have their security pass removed and access to their computer systems temporarily disabled.

7. Records Maintenance

Individual files of employees against whom disciplinary proceedings (both physical & electronic records) have been initiated/concluded have to be preserved for a period of 8 years from the last date of their employment. In case of any litigation initiated by or against employee, all employment records shall be maintained for an indefinite period i.e., till conclusion of litigation, as may be confirmed by inhouse Legal department.

8. Review

The policy in general, will be reviewed once in every three years. Additionally, in case of any amendment is required pursuant to change in laws / regulations, any circumstances which warrant a change/modification, organizational change, etc., such amendments to the Policy shall be implemented with the prior approval of the MD / CEO of the Company.

Annexure 1: Committee Members

BHFL *
Chief- HR & Administration/Head-HR
Senior Head - Legal • Legal
Executive Vice President - Risk
Senior Executive Vice President - Near Prime & Affordable
Senior Executive Vice President - CRE
Executive Vice President - Home Loans, B2C**

***Note:**

DAC action will be taken by Chief- HR & Administration/Head-HR, General Counsel/Head-Legal and any one member from the balance members.

****Note:**

Senior Executive Vice President - Near Prime & Affordable & Executive Vice President (EVP) shall be the additional members. In the absence of quorum for the DAC meeting, the presence of Senior Executive Vice President - Near Prime or Executive Vice President shall be requested.

Annexure-2: Disciplinary Action

Disciplinary Action	Details
No action	<ul style="list-style-type: none"> No action will be initiated where the case/offence is unfounded due to lack of supporting evidence or lack of merit (for the categories defined in Para 4.1.1). <p>Note: where the case is a gross misconduct as defined in Para 4.2.2 but could not be established for lack of supporting evidence will not be covered under this category.</p>
Counselling	<p>Action would be considered if:</p> <ul style="list-style-type: none"> the conduct of an employee has fallen below an acceptable standard and the employee has committed an offence as defined under Para 4.1.1 and which can be corrected by counselling. <p>Note: where the case is a gross misconduct as defined in Para 4.2.2 but could not be established for lack of supporting evidence will not be covered under this category.</p>

<p>Verbal /Oral Warning</p>	<p>Action would be considered if:</p> <ul style="list-style-type: none"> • the conduct of an employee has fallen below an acceptable standard and the employee has committed an offence as defined under Para 4.1.1. • it is found that such instance of indiscipline conduct has occurred, the outcome will normally consist of an oral warning by HR in the first instance, which will be recorded by the manager concerned, and copy will be held by HR on the employee’s record. <p>An email to be addressed by HR to the employee, recording the conversation with the employee, clearly capturing the oral warning provided to the employee.</p>
<p>Written Warning</p>	<p>Action would be considered if:</p> <ul style="list-style-type: none"> • there is no improvement in conduct about which the employee has previously been warned; or • another related or recurrence of indiscipline conduct; or • misconduct is confirmed and the conduct is of such seriousness that an oral warning is not appropriate.
<p>Incentive Docking</p>	<p>Action would be considered if:</p> <ul style="list-style-type: none"> • A written warning has already been issued and another instance of misconduct has occurred while it is current; or
	<ul style="list-style-type: none"> • there is no improvement in the conduct about which the employee has previously been warned; or • the conduct is of such seriousness that verbal or further written warning are not considered appropriate but would NOT justify a termination from employment.
<p>Suspension</p>	<p>Action would be considered:</p> <p>Basis the preliminary evidence available DAC is convinced about the wrong having been committed by employee;</p> <ul style="list-style-type: none"> • To enable an investigation to be carried out without interference, where the Company has reasonable belief that the investigation may be interfered with and where there is no reasonable alternative. • Where the Company has a reasonable belief that an employee has committed a criminal offence punishable under applicable laws and poses a risk to other employees or the reputation of the Company.

	<ul style="list-style-type: none"> Where the Company has a reasonable belief that there is risk to the Company's property or to other parties concerned and where there is no reasonable alternative. In cases of suspected serious or gross misconduct, gross negligence and/or serious or gross incompetence and where there is no reasonable alternative.
Termination	<p>Action would be considered, if:</p> <ul style="list-style-type: none"> an allegation of gross misconduct is found to be proven; or there is no improvement in the conduct within the specified period which has been the subject of a final written warning; or repeated misconduct committed by employee; any other instance, which is felt appropriate and necessary by DAC.

Annexure-3: Password sharing instances consider under DAC

SR.NO	PROFILE / APPLICATION TYPE
1	Read – Only / View -Only
	(All profiles)
	Critical Applications
2	Transacting /Privilege Users
	(All profiles including credit/operations/finance IT support and administrators)
	Critical Applications
3	Read – Only / View -Only
	(All profiles)
	Non-Critical Applications
4	Transacting /Privilege Users
	(All profiles including credit/operations/finance IT support and administrators) –
	Non-Critical Applications

Annexure-4: Instances in contravention to securities policy

Sr. No	Bucket	Violation
1	Future & Options (Derivatives)	Employees or employee dependents conduct an F&O trade
2	Employee not an ESOP Grantee	Employee or employee's dependents <ul style="list-style-type: none"> • Transacts in securities of value of Rs. 1 Lakh or more without prior permission or • Conduct a Contra trade or • Transaction conducted despite rejection of permission request or • Transacts beyond the number of times permitted
3	Employee an ESOP Grantee	Employee or employee's dependents <ul style="list-style-type: none"> • Transact in the open market or despite permission being rejected • Transact during Market Dealing Window closure period
4	Dependents declaration not done 1 Transaction carried out 2 Transaction not carried out	Employee does not update his dependents within 30 days of change in status/ becoming eligible

Annexure 5: Disciplinary Action BGV scenario

Category	Scenarios
Employment	Submission of forged / tampered relieving letter which is confirmed by the previous employer.
	Discrepancy in period of employment (< 30 Days) / Remuneration (greater than 25%) / Designation (more than 2 levels)
	Dual employment, amounting to dual employment, < 10 days and > 30 days.
	Overlap in period of employment, amounting to dual employment, less than 10 days.
	Separation from previous employer owing to Disciplinary action, integrity issues, misappropriation of funds, theft of IPR, criminal misconducts, breach of contract, sexual harassment or violent behaviour at work which is confirmed by organization while verification.
Education	Submission of fake / tampered degree certificates / mark sheets / documents irrespective of tenure in the BHFL.
	Purportedly qualification attained from a non-affiliated Institute. * BH recommendation to be sought in all such cases.
	Purportedly attained mandatory qualification from a non-affiliated Institute which is necessary for the role at BHFL.
	Qualification not attained as claimed by candidate on the application form or supporting document

