



**IIFL Samasta Finance Limited**

**Whistle Blower Policy**

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 For HR, Samasta Finance Limited  
 (Erstwhile Samasta Microfinance Limited)  
 Authorised Signatory

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## Preface

IIFL Samasta Finance Limited (ISFL) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity, and ethical behaviour. Towards this end, ISFL has formulated this Whistle Blower Policy & Vigil Mechanism that should govern the actions of ISFL and its employees. Any actual or potential violation of the policy, howsoever insignificant or perceived as such, would be a matter of serious concern for ISFL. The role of the employee and directors in pointing out such violations of the policy cannot be undermined.

## Reporting Concern

Every employee or director of ISFL shall promptly report to the management, in the manner provided here in, any actual or possible violation of the employment rules or an event he becomes aware of that could affect the business or reputation of his or ISFL.

Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees and directors of ISFL to approach the Whistle blower Committee of ISFL.

## Definitions

The definitions of some of the key terms used in this Policy are given below.

**"Whistle Blower Committee"** means the Committee constituted by the Board of Directors of ISFL in accordance with Section 177 of the Companies Act, 2013.

**"Employee"** means every employee of ISFL including the Directors in the employment of ISFL.

**"Investigators"** means those persons authorised, appointed, consulted or approached by the Committee and include the auditors, quality assurance , vigilance, human resources departments of ISFL and the police.

**"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

**"Subject"** means a person against or in relation to whom a Protected Disclosure has been



made or evidence gathered during the course of an investigation.

"**Whistle Blower**" means an Employee , Director , customer or 3rd / external party making a Protected Disclosure under this Policy.

## **Scope**

The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

## **Eligibility**

"**Whistle Blower**" means an All current and former employee, directors, officers, company secretaries, Vendor, contractors, suppliers (or their employee or subcontractor) and volunteers. It also applies to relatives, dependents, or spouses of any of these people making a Protected Disclosure under this Policy.

## **Disqualifications**

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, ISFL / the Whistle Blower Committee would reserve its right to take/ recommend appropriate to an independent Disciplinary Action Committee.

## **Structure of whistle blower committee:**

Whistle blower committee will be formed at HO which constitutes Chief Risk Officer, Vigilance Head, Internal Audit Head and by Chief People Officer. The chair will be decided at the time of committee meeting.

Whistle Blower Committee in its rights to constitute Regional Investigation Committee (RIC) and all disclosure based on geography and severity can be allocated to different RIC from time to time.

## **Procedure for protected disclosures**

All Protected Disclosures should be addressed to the Head - Whistle Blower Committee (WBC) of ISFL. The contact details of the Head of the Whistle Blower Committee are as under:

**The**

**Head - Whistle Blower Committee,**

**IIFL Samata Finance Limited, 110/3, Lalbagh Main Road, Krishnappa Layout ,  
Bengaluru- 560027**

Protected Disclosures should preferably be reported in forms of writing, email, telephone call , SMS, WhatsApp & ZingHr so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Head - Whistle Blower Committee shall detach the covering letter and discuss the Protected Disclosure with Members of the Committee and if deemed fit, forward the Protected Disclosure for investigation.

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 and the urgency of a preliminary investigative procedure. The Whistle Blower must disclose his/ her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Whistle Blower Committee as it would not be possible for it to interview the Whistle Blowers.

## **Failure to Report**

It is utmost responsibilities of all who are associated with ISFL in any form to report and bring light to any Where there are reasonable grounds to suspect misconduct or an improper state of affairs; an offence or contravention under law or a danger to the public or financial system or fraud and loss to organization, Illegal conduct, fraud, money



laundering, offering or accepting a bribe, financial irregularities, failure to comply with, or breach of, legal or regulatory requirements, and engaging in or threatening to engage in Detrimental Conduct

While merely failing to report an incident/fraud is one thing, helping to conceal it is another. A person can generally be charged with action as deemed fit by the Disciplinary Action Committee if he or she wasn't actually present during the commission of the incident/ fraud or had knowledge but took actions to conceal the incident/fraud or help the perpetrators avoid action.

## **Investigation**

- i. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle Blower committee who in its discretion may allocate the disclosure to Regional Investigation Committee, who may at its discretion, consider a dedicated individual/team of Investigators for the purpose of investigation. The decision to conduct an investigation taken by the Whistle Blower Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- ii. The identity of a subject will be kept confidential to the extent possible given the legitimate need of law and the investigation.
- iii. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- iv. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- v. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/ or members of Whistle Blower Committee and / or the Whistle Blower.
- vi. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings but 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 Subjects. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be

considered as maintainable unless there is good evidence in support of the allegation.

- vii. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and ISFL.
- viii. The Regional Investigation Committee will ensure that the investigation shall be completed normally within 21 days of the receipt of the Protected Disclosure and in any case not to exceed 45 days. A complete report on the investigation as per the processes defined under relevant policies concerned should be prepared and submitted to the Whistle Blower Committee within the Turn-Around-Time. In case it could not be completed within the stipulated time, a progress report is to be shared to the Whistle Blower Committee.

## **Protection to whistle blowers**

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this Policy. ISFL, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, 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 Disclosure.

ISFL will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, ISFL will arrange for the Whistle Blower to receive the advice about the procedure etc.

The identity of the Whistle Blower and any other Employee assisting in the said investigation shall be kept confidential to the extent possible and permitted under law. But Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Audit Committee (e.g. during investigations carried out by Investigators).



## **Investigators**

Investigators are required to conduct a process towards fact-finding and analysis.

Investigators shall derive their authority and access rights from the Whistle Blower Committee when acting within the course and scope of their investigation.

Technical and other resources may be drawn upon as necessary to augment the investigation.

All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.

Investigations will be launched only after a preliminary review which establishes that the alleged act constitutes an improper or unethical activity or conduct, and either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

## **Decision**

If an investigation leads the Whistle Blower Committee to conclude that an improper or unethical act has been committed, the Whistle Blower Committee shall direct the management of ISFL to take such disciplinary or corrective action as the Disciplinary Action Committee deems fit. The Managing Director of the company would voluntarily/involuntarily be a part of the decision-making process. It is clarified that any disciplinary or corrective action initiated against the Subject because of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures. The decision of the audit committee shall be final in respect of the disclosure. To avoid such similar future discrepancies, preventive measures will be designed and incorporated to the existing process and policies of ISFL Microfinance Ltd.

## **Reporting**

The Whistle Blower can make all Protected Disclosures to dedicated channels as mentioned below:

Mobile # : +91 8792913130 ( Call / SMS / WhatsApp )

Email: [whistle-blower@iiflsamasta.com](mailto:whistle-blower@iiflsamasta.com) / ZingHr (Helpdesk)

The Whistle Blower Committee shall submit a report to the management on a quarterly basis about all Protected Disclosures 1) referred 2) open 3) closed 4) action taken since the last report together with the results of investigations, if any.

## **Retention of documents**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by ISFL for a minimum period of seven years.

## **Power of whistle blower committee to frame procedures and guidelines**

Subject to the provisions of this policy, the Whistle Blower Committee may put in place appropriate procedures and guidelines for implementing all or any of the matters covered in the policy.

## **Amendment**

ISFL 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 unless the same is notified to the employees in an appropriate manner. The above shall form part of the present employment and other personnel policies of ISFL.

### Annexure-1: Whistle Blower Process Flow

