

WHISTLEBLOWER / VIGILANCE POLICY

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Introduction

The organization believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The role of the stakeholders, including individual employees and their representative bodies in pointing out such violations of the policy cannot be undermined. The Company is committed to develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

The Company shall oversee the Vigil Mechanism through its Audit Committee of the Board of Directors of the Company and if any members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Audit Committee would deal with the matter on hand.

In terms of the provisions of the Companies Act, 2013 read with rules framed thereunder (“Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) listed companies are required to establish a Whistle Blower/vigil mechanism for employees, and directors of the Company to report genuine concerns to the management regarding instances of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

Purpose

- i. To eliminate & help prevent malpractice and to investigate and resolve complaints
- ii. To provide a framework to promote responsible and secure whistle blowing
- iii. To ensure that anyone who is aware (director/employee/ stakeholder) of a breach of the Company policies and procedures, suspected or actual frauds and embezzlement, illegal, unethical behavior or violation of company’s code of conduct or ethics etc., feels free to bring this to the attention of appropriate personnel in the Company, without fear of victimization, harassment or retaliation
- iv. Take appropriate action to safeguard the interests of the IIFL Finance Limited
- v. To ensure that any person making a complaint (hereinafter referred to as **“Whistle Blower”**) is protected, while at the same time actively discouraging frivolous and insubstantial complaints
- vi. To act as an additional internal element of the Company’s compliance and integrity policies

Please note that this 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.

Scope

This policy shall apply to all employees, directors and other stakeholders of the company irrespective of their location, function or grade.

Definitions

- (i) **“Act”** means the Companies Act, 2013 r/w relevant rules, as amended from time to time

- (ii) **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015
- (iii) **“Board”** means the Board of Directors of the Company;
- (iv) **“Company”** means IIFL Finance Limited and its subsidiaries and associates;
- (v) **“Disciplinary Action”** means any action that can be taken on the completion of or 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
- (vi) **“Directors”** means all the directors of the Company
- (vii) **“Employee”** means every employee or officer on the permanent or temporary rolls of the Company (whether working in India or abroad)
- (viii) **“Fraud”** in relation to affairs of a company or a body corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the Company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss
- (ix) **“Investigation Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation
- “Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity
- “Unpublished Price Sensitive Information or UPSI”** means any information, relating to a 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 include without limitation, information relating to the following:
- a) financial results;
 - b) dividends;
 - c) change in capital structure;
 - d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
 - e) changes in key managerial personnel.
- (x) **“Whistle Blower”** is someone who makes a Protected Disclosure under this Policy
- (xi) **“Whistle Officer” or “Committee”** means an officer or Committee of officers who is nominated/appointed by the Ombudsperson to conduct detailed investigation
- (xii) **“Ombudsperson”** shall be the Chief Anti-Corruption Officer for the purpose of receiving all complaints under this Policy and ensuring appropriate action. In the first instance, the Board shall appoint this Ombudsperson. Any change in the Ombudsperson may be carried out by the Audit Committee

The Guiding Principles

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- i. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so
- ii. Treat victimization as a serious matter including initiating disciplinary action on such person/(s)
- iii. Ensure complete confidentiality
- iv. Not attempt to conceal evidence of the Protected Disclosure;
- v. Take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosure made/to be made
- vi. Provide an opportunity of being heard to the persons involved especially to the Invesgaon Subject

Coverage of Policy

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- i. Abuse of authority
- ii. Breach of contract
- iii. Negligence causing substantial and specific danger to public health and safety
- iv. Manipulation of the Company data/records
- v. Financial irregularities, including fraud, or suspected fraud
- vi. Leakage of unpublished price sensitive information
- vii. Criminal offence
- viii. Pilferation of confidential/propriety information
- ix. Deliberate violation of law/regulation
- x. Any violation of applicable law and regulations to the Company, thereby exposing the company to penalties / fines
- xi. Wastage/misappropriation of company funds/assets
- xii. Breach of employee Code of Conduct or Rules
- xiii. Any other unethical, biased, favored, imprudent event which does not confirm to approved standard of social and professional behavior or a grievance about a personal situation.

The above list is only illustrative and should not be considered as exhaustive.

Please note that this Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

Disqualifications

- i. 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 ii. 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 or a grievance about a personal situation

iii. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious* shall be liable to be prosecuted under Company's Code of Conduct

Reporting Mechanism

Necessary awareness among all employees in all cadres shall be created on this policy, stating the reporting mechanism.

The disclosure of complaints under this policy can be made through the following mechanisms:

i. IIFL F.I.T Helpline:

- To facilitate the implementation of the policy, the organization has set up the IIFL F.I.T Helpline, which is a platform to register whistleblower complaints anonymously
- The F.I.T Helpline Initiative, governed by the whistleblower/vigilant policy for the organization, is aimed at ensuring that unethical conduct is reported in good faith through this mechanism
- The platform is managed by KPMG which acts as an external third-party service provider

The reporting channels for this initiative are as mentioned below:

Reporting Channel	Contact Information
Phone	1800 200 4421
Email	fiifl@ethicshelpline.in
Web Portal	www.fiifl.ethicshelpline.in
Post Box	P.O.Box No 71, DLF Phase 1, Qutub Enclave, Gurugram, Haryana, India

ii. Whistleblower email id:

- Whistle Blower can also make Protected Disclosure under this mechanism to the Ombudsperson by writing at email id i.e. whistleblower@iifl.com, as soon as possible, after becoming aware of the suspected or actual frauds and embezzlement, illegal, unethical behavior or violation of company's code of conduct or ethics etc