



# Whistle Blower Policy

## History of Revisions

<b>Version</b>	<b>Summary of Revisions</b>	<b>Date of Approval</b>
6.0	Annual Review	30-Jun-2022
5.0	Annual Review	29-Apr-2021
4.0	Annual Review	23-Mar-2020
3.0	Protection to the Employee	12-Mar-2019
2.0	Investigation by Fraud Monitoring Group (FMG)	12-Mar-2018
1.0	Policy Formulation	31-Jan-2017

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## 1. Preamble

### 1.1 Objective of the Policy

This Policy aims to provide a framework, which will enable the Equitas Small Finance Bank to promote responsible and secure whistle-blowing / Vigil mechanism and protect the Whistle Blower to raise a concern about irregularities within the Bank.

### 1.2 Scope of the Policy

- a. This policy will cover the role and rights of Whistle-Blowers.
- b. This policy also intends to cover the type of complaints which can be taken up for Investigation misuse /Abuse of authority, Corruption, Frauds, Manipulation of data/documents, any other act which affects the Interest of the Bank adversely and has the potential to cause financial or reputational loss to the Bank.
- c. This Policy applies to the following stakeholders: -
  - i. Employees of the Bank
  - ii. Shareholders of the Bank.
  - iii. Directors of the Bank.
  - iv. Any other person having an association with the Bank

### 1.3 Definitions

- a. Whistle Blower:: The Directors/employees of the Company making the disclosure under this policy.
- b. Adverse Personnel Action: An employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.
- c. Alleged Wrongful Conduct: Alleged Wrongful Conduct shall mean a violation of the law, infringement of Bank's Code of Conduct or ethical policies, mismanagement, misappropriation of monies, actual or suspected fraud, and substantial and specific danger to public health, safety or abuse of authority.
- d. Good Faith:
  - i. A Director / an employee / shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct.
  - ii. Good Faith shall be deemed lacking when the concerned director / employee / does not have personal knowledge of a factual basis for the communication or where the director / employee / knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- e. Managerial Personnel:: Managerial Personnel shall include all Executive Directors, all Executives at one level below Executive Directors and Functional Heads at the corporate level.
- f. Unethical and Improper Practices shall mean –
  - i. An act, which does not conform to, approved standard of social and professional behaviour;

- ii. An act, which leads to unethical business practices;
- iii. Improper or unethical conduct;
- iv. An act against the accepted business practices of the organisation, etc.

## 2. Regulatory Framework -Applicable Regulations

### 2.1 Whistle Blowing - Governed under Section 177 of the Companies Act, 2013 and the rules framed thereunder

2.1.1 Bank should establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. (Subsection 9)

2.1.2. The Bank's vigil mechanism should provide for adequate safeguards against victimization of persons who use "Whistle Blowing" mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases (Subsection 10)

2.1.3. The Bank's "Whistle Blower Policy" needs to be disclosed by the Bank on its website, and also in the Board's report. (Subsection 10)

## 3. ESFB Policy framework

### 3.1. Reporting Mechanism

Any whistle-blower who observes any unethical and improper practices or alleged wrongful conduct will disclose to the Head of Function (Manco member).

In case it involves Senior Managerial Personnel the disclosure will be sent to the Managing Director Email: [md@equitasbank.com](mailto:md@equitasbank.com) and in exceptional cases to the Audit Committee through e-mail addressed to [audit\\_committee@equitas.in](mailto:audit_committee@equitas.in) as soon as possible but not later than 15 consecutive calendar days after becoming aware of the same. However, any complaint received after the aforesaid period of 15 days may be accepted at the discretion of the Managing Director (MD)/ Chairman of Audit Committee.

The following process will be followed:

- a. The Functional Head will immediately forward the Whistle Blower Report to the MD.
- b. The MD may cause such enquiry to be conducted as deemed appropriate given the nature of the complaint lodged.
- c. On a six-monthly basis, the Chief People Officer will report to the Audit Committee a summary of all complaints received under the Whistle Blower Policy and the action taken on the same.
- d. If a complaint is made to the Audit Committee against the Managing Director, then the Audit Committee may undertake such enquiries as it deems fit and may take such action as it deems appropriate.
- e. If the action to be taken by the Audit Committee is against the M.D, the Committee may also suitably discuss the same with the Chairman of the Board and decide on action to be taken.
- f. An Anonymous Complaint will not normally be entertained. However, at the discretion of the MD, verifiable anonymous complaints may be taken up only if it has substance and full details are given.
- g. Any Director who observes any unethical & improper practices or alleged wrongful conduct will make a disclosure to the Audit Committee or the Chairman of the Board as soon as possible but not later than 45

consecutive calendar days after becoming aware of the same. However, any complaint received after the aforesaid period of 45 days may be accepted at the MD/ Chairman of Audit Committee's discretion.

The MD or the Audit Committee or the Chairman of the Board as the case may be, after due enquiries, pass orders for remedies, which may inter-alia, include:

- i. Order for an injunction to restrain a continuous violation of this policy;
- ii. Reinstatement of the employee to the same position or to an equivalent position;
- iii. Order for compensation for lost wages, remuneration or any other benefits, etc.

### **3.2 Protection to Whistle Blower**

The Bank will protect the confidentiality of the complainants, and their names/ identity will not be disclosed except as statutorily required under the law. No adverse personnel action will be taken or recommended against its employees for disclosing in good faith any unethical & improper practices or alleged wrongful conduct to the Head of Department (respective MANCO member) or to the Managing Director or to the Audit Committee.

The Bank will ensure that the Whistle Blower is not victimized for making the disclosure. Any employee against whom any adverse personnel action has been taken due to his disclosure of information under this policy may approach the Audit Committee.

However, protection under this policy will not mean protection from departmental action arising out of false or bogus disclosure made with mala fide intention or complaints made to settle personal grievance or wrongful conduct, poor job performance or any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

### **3.3. False Allegation and Legitimate Employment Action**

A Director /an employee who knowingly makes false allegations of unethical and improper practices or alleged wrongful conduct will be subject to disciplinary action, up to and including termination of employment, in accordance with Bank rules, policies and procedures.

Further, this policy will not be used as a defence by an employee against whom an adverse personnel action has been taken independent of any disclosure of information by him and for legitimate reasons or cause under Bank rules and policies.

### **3.4. Secrecy/Confidentiality**

The Whistle Blower, the Subject and everyone involved in the process will:

- a. Maintain complete confidentiality/ secrecy of the matter.
- b. Not discuss the matters in any informal/social gatherings /meetings
- c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d. Maintain records in a secured environment. If not anyone is found complying with the above, he/she will be held liable for such disciplinary action as is considered fit. The bank will retain all documents including the Investigation reports relating to Protected Disclosures for a minimum period of 5 (five) years from the date of investigation report or as mentioned in applicable law if any.

### 3.5. Reporting

Chief People Officer will report all Whistle blowing cases/protected disclosures to the Audit Committee of the Board, together with results of investigations and an update on the management's actions on a six-monthly basis.

As amended from time to time, this Policy will be made available at the internet site of the Bank, which is accessible to its employees.

### 3.6. Annual Affirmation

The Bank will annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle-blower from adverse personnel action. The affirmation will form part of the Corporate Governance report as attached to the Annual Report of the Bank.

### 3.7 Exclusions

The Policy neither releases Whistle Blowers 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.

Exclusions:

- a. Issues relating to a personal grievances.
- b. Sexual harassment.
- c. Complaints which are frivolous.
- d. Unfounded allegations against employees

## 4. Provisions in policy over and above but in consonance with RBI guidelines - None

## 5. Changes to the Policy

Nil.

## 6. Periodicity of Review of the Policy

The Board will review this policy at annual intervals and at such intervals as required on the regulatory and business exigencies.

<b>Author of the Policy</b>	<b>Internal Audit</b>
<b>Reviewer of the Policy</b>	<b>Compliance</b>
<b>Name of Committee which recommended to the Policy Formulation Committee of the Board</b>	<b>Executive Policy Formulation Committee</b>
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