



Whistle Blower Policy

History of Revisions

Version	Summary of Revisions	Date of Approval
7.0	Periodic Review	08-Nov-24
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 Equitas Small Finance Bank Limited (“ESFB” or “the Bank”) to promote responsible and secure whistleblowing / vigil mechanism and protect the whistleblower who raises 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 types of complaints that can be taken up for investigation. They include misuse or abuse of authority, corruption, fraud, manipulation of data or documents, any other act that adversely affects the Bank’s interests 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. Whistleblowing refers to the act of a stakeholder (as described in Section 1.2 c) revealing information about the activity of the Bank that is deemed illegal, immoral, illicit, unsafe or fraudulent, typically by a person in authority.
- b. Whistleblower: The stakeholders mentioned in Section 1.2 c and includes directors/employees/shareholders, and any other person connected with the Bank.
- c. Adverse personnel action: An employment-related act or decision or a failure to take appropriate action by any employee or Director which may affect the terms of employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.
- d. Alleged wrongful conduct: Alleged Wrongful Conduct shall mean a violation of the law, infringement of the 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.
- e. 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.
- f. Senior managerial personnel of the Bank: Senior Managerial personnel shall include Managing director/Executive directors and all Executives at one level below Managing director.
 - g. 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 Every listed company or such class or classes of companies, as may be prescribed, shall 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 Vigil mechanism shall provide for adequate safeguards against victimization of persons who use the “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 “Whistle Blower Policy” needs to be disclosed by the entity on its website, and also in the Board’s report. (Subsection 10)

3. ESFB Policy framework

3.1. Reporting Mechanism

Any whistleblower who observes any unethical and improper practices or alleged wrongful conduct by any stakeholder will disclose to the Head of function (Manco member) and/or Chief of Internal Vigilance by email: vigilance@equitasbank.com.

In case it involves Senior Managerial personnel, the disclosure will be sent to the Managing Director by e-mail: md@equitasbank.com and in exceptional cases, to the Audit Committee through e-mail addressed to audit_committee@equitasbank.com 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 Whistleblower report to the MD.
- b. The MD may cause such an enquiry to be conducted as deemed appropriate given the nature of the complaint lodged. The enquiry will be carried out by the vigilance team, which may in turn co-opt other department help as necessary to complete the proceedings

- c. Such proceedings shall follow disciplinary action process as conducted by the Bank.
- d. On a six-monthly basis, the Chief of Internal Vigilance will place a summary of all complaints received under the Whistle Blower Policy before the Audit Committee and the action taken on the same.
- e. 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.
- f. If the action to be taken by the Audit committee is against the MD, the Committee may also suitably discuss the same with the Chairman of the Board and decide on action to be taken.
- g. An anonymous complaint will not normally be entertained. However, at the discretion of the MD, verifiable anonymous complaints may be taken up only if they have substance and full details are given.
- h. 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 discretion of the Chairman of the Audit Committee.

3.2 Protection to Whistleblower

The Bank will protect the confidentiality of the complainants, and their names/identity will not be disclosed except as may be 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 Whistleblower 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/Managing Director/Chief People Officer.

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 may be subject to disciplinary action, up to and including termination of employment, in accordance with the rules, policies, and procedures of the Bank.

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 the rules and policies of the Bank.

3.4. Secrecy/Confidentiality

The Whistleblower, 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. Records related to Whistleblower complaint will be maintained in a secured environment by the Vigilance department. If anyone is found not complying with the above, he/she will be 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 the investigation report or as mentioned in applicable law, if any.

3.5. Reporting

The Chief of Internal Vigilance will report all Whistleblowing 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.

This policy will be made available on the website of the Bank.

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 the whistleblower 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 grievances about a personal situation.

Exclusions:

- a. Issues relating to personal grievances.
- b. Sexual harassment.
- c. Complaints which are frivolous in nature.
- 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 within 18-24 months of the previous review or at such intervals as may be required considering regulatory and business exigencies.

Author of the Policy	Vigilance
Reviewer of the Policy	Compliance
Name of Committee which recommended to the Policy Formulation Committee of the Board	Executive Policy Formulation Committee
Date of Board Approval	08-Nov-24
Date of Next Review	18-24 months of the previous review