



WHISTLE BLOWER POLICY

## **Background**

The SBFC Finance Private Limited (SBFC) strongly believes in an Open and Transparent System of Working and dealings with its stakeholders – employees, customers and members of general public coming into contact with it. SBFC is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. Accordingly, it has laid down a detailed Code of Conduct & Ethics Manual, which directs the employees to uphold the Values and Principles of SBFC and urges them to conduct Business with Integrity and highest ethical Standards. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

## **Objective**

The role of employees in pointing out violations/non-compliance with Code of Conduct, statutory / regulatory requirements, fraud, unethical standards/practices, bribery / corruption, etc. cannot be undermined. Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated to provide a mechanism / framework for employees / stakeholders to share his / her views / observations with regards to unacceptable / unethical work conditions / behavior, business conduct / practices, raise concerns on any non-compliance with Code of Conduct, violations of legal / regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The Policy is primarily meant for the issues where the interests of external agencies, customers or other entities dealing with the company are at risk. The Policy aims at –

- Quick spotting of wrong doings at an early stage and raising it in the right way for an appropriate action at the earliest;
- Enabling employees and other stakeholders to report to the Management on their concerns about illegal / unethical behavior, actual or suspected fraud, violations/non-compliance with Code of Conduct & Ethical Standards; Regulatory/Statutory requirements;
- Adoption of Best Practices and thriving to raise the standard of ethics, integrity & moral values to encourage & inculcate a culture of Openness & Transparency in

dealings between employees and customers / Business Associates / General Public / other stakeholders coming into contact with SBFC.

- Assuring confidentiality and protection to the whistle blower against any personal vindictive actions such as humiliation, harassment or any other form of unfair treatment.

### **Whistle Blower Mechanism**

This policy and process document defines the scope of actions and activities which are covered by the policy and its purpose.

### **Definitions**

#### **Policy:**

This Policy refers to the “Whistle-Blower Policy”.

#### **Whistle-Blow:**

Whistle-Blow refers to any communication made in good faith that discloses relevant information or evidence of any Fraud (real / suspected), Corruption, Bribery, Wrongful or Unethical Practice or ongoing Malpractices.

The Policy defines a specific process to be followed for escalation of information regarding the wrongful or unethical practice.

The authority / person(s) to which the communication may be sent, the manner of sending the communication and the manner in which the information received would be dealt is clearly defined in the policy.

#### **An Authority:**

The Authority, an independent official(s) occupying senior & responsible position(s), which deals with the information provided by a whistle-blower. The policy must provide for confidentiality of the information as well as the identity of the informer.

#### **Whistle-Blower:**

Whistle-Blower means an employee / any stakeholder making complaint under this policy to raise a concern about wrongdoing occurring in SBFC and made communication in good faith that discloses the information / evidence of any Wrongful or Unethical Practice or

ongoing Malpractices in the organization. “A whistleblower is a person, who could be an employee of a company, or a stakeholder, or a government agency, disclosing information to the public or some higher authority about any wrongdoing, which could be in the form of fraud, corruption, wrongful/unethical practices, etc. Whistle-blowers may choose to make their allegations internally (to other people within the accused organization) or externally (to regulators, law enforcement agencies, to the media or to groups concerned with the issues).”

**Good Faith:**

An employee shall make complaint under this policy in ‘good faith’ only if there is a reasonable basis for communication of the alleged wrongdoing or wrongful conduct. Good faith shall lack in its eventuality when the employee does not have factual basis for the complaint / communication under this policy.

**Whistle Officer & Whistle Committee:**

“Whistle Officer” means a Senior Level Officer who is nominated / appointed to conduct detailed investigation of the disclosure received from the whistle blower and recommend the case to the committee for initiating action deemed suitable depends upon the severity of the complaints. Currently, the Compliance Officer is nominated as Whistle Officer.

“Whistle Committee” means Senior Management Committee comprising of three Senior Level Officials, viz., Internal Audit Head (AH), Chief Risk Officer (CRO), Chief Operations Officer (COO) constituted / nominated as ‘Competent Authority’ to receive, review whistleblower complaints and assign the investigation to ‘Whistle Officer’ or an appropriate “Authority” ensuring that the identity of the whistle blower is not disclosed.

**Disciplinary Action:**

Any action that can be taken as envisaged in the Disciplinary Action Policy.

**Disciplinary Authority:**

Disciplinary Authority as envisaged in the Disciplinary Action Policy / designated by the company.

***Eligibility***

This policy and process document defines its scope – actions / activities covered under the policy – and the purpose. Employees of SBFC and its stakeholders – customers, associates,

vendors, any other person having an association with the Company – are eligible to make complaint / Protected Disclosures under the Policy. These stakeholders would fall under the following broad categories:

a) Employees of SBFC:

- Employees of SBFC across all levels / bands.
- An employee aggrieved about his/her positions is required to use the Grievance Redressal Mechanism instituted for the purpose and not 'whistle blower' mechanism.

b) Outsourced Agencies, Vendors / Suppliers & Associates:

- Outsourced Agencies (or any of their employees) deployed for SBFC's activities, whether working at on-site premises or off-site locations.
- Contractors, Vendors, Suppliers or Agencies (or any of their employees) providing any material or service to SBFC.

c) Other Stakeholders:

- Customers;
- Investors;
- Any other person having association with SBFC.

### **Scope**

The complaints / protected disclosure under the Policy would cover areas such as corruption, misuse of office, criminal offences, suspected / actual fraud, failure to comply with extant Regulatory / Statutory requirements / provisions, any acts resulting in operational risk leading to financial / reputational loss or detrimental to the interest of SBFC or its customers / Public at Large.

Though not exhaustive but an indicative list of activities / areas covered under the Policy are as under:

- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports;
- Wastage / misappropriation of company funds/assets;
- Bribery or corruption;

- Any action(s) / practice(s) of an employee(s) (across all levels / bands) in the work place is/are not aligned to Corporate Culture, Values and Business Ethics, or in violation of Code of Conduct Policy, or in compromise with the Brand Image / Reputation of SBFC.
- Breach or Failure to implement or comply with laid down Policies;
- Manipulation of company data/records;
- Pilferage of confidential/propriety information;
- Breach of IT Security and data privacy;
- Abuse of authority;
- Any unlawful act whether Criminal/ Civil
- Breach of contract; Deliberate violation of Law / Regulation
- Sexual Harassment
- Retaliation
- Social Media Misuse

#### **Role and Responsibilities of Whistle Blower**

1. The Whistle Blower shall report the wrongdoing / wrongful conduct with reliable information.
2. The Whistle Blower shall not act on his / her own in conducting investigation.
3. The Whistle Blower shall not file a complaint for any personal / pecuniary gain.
4. The Whistle Blower shall give information supported by reasonable evidence that an alleged wrongdoing / wrongful conduct has occurred. However, the intentional filing of a false complaint will be considered as an improper activity and SBFC has the right to initiate disciplinary action under Disciplinary Action Policy.
5. The Whistle Blower shall not try to obtain any evidence for which he / she do not have any 'access right'. Indulging in such activity would attract appropriate disciplinary action under Disciplinary Action Policy.
6. The identity of the Whistle Blower shall not be disclosed except where required under the Law or for the purpose of investigation or the complainant himself / herself made the details of the complaint either public or disclosed his / her identity to any other authority.

#### **Lodging of Complaints / Protected Disclosure under the Policy**

1. The Chief of Internal Auditor (CIA) shall be the Competent Authority to receive complaints under the Policy.

2. The complainant should ensure that the issue raised by him / her involves wrongdoings / wrongful conduct (as indicated under para 'Scope' above) which are detrimental to the interest of SBFC and the Public at large.
3. Whistle Blower should study all the relevant facts and understand the significance of the matter and only on having satisfied of the misdeed or wrongful act / conduct should make the complaint / disclosure under the Policy.
4. The complaint / disclosure should be in writing.
5. While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:
  - a. The text of the complaint should be carefully drafted to avoid any ambiguity.
  - b. Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important.
  - c. Name, address and contact details of the Whistle Blower (Employee Code in case of an employee).
6. The complaint / disclosure should be sent in a closed / sealed envelope.
7. The envelope should be super scribed with "**Complaint under Whistle Blower Policy**".
8. The envelope can be submitted by hand-delivery, courier or by post addressed to the Whistle Officer appointed by the Company.
9. The complaints / disclosures under the Policy can be sent to the generic email ID - [whistleblower@sbfc.com](mailto:whistleblower@sbfc.com) which is mapped to Whistle Officer and members of Whistle Committee.
10. The whistle blower shall make complaint / disclosure under the policy within 3 (three) months from the date of his / her sighting / knowing of the adverse activities that led to his / her raising concern.
11. The Whistle Blower may also choose to report / disclose / complaint directly to members of the Whistle Committee, which shall be communicated by HR.

### **Receiving Complaints under the Policy**

1. No acknowledgment shall be issued to keep confidentiality of the identity of the complainant and the Whistle Blower should not enter into any further correspondence in the matter.
2. Whistle Officer shall maintain a register of Whistle Blower complaints noting the serial number, date of receipt, date of complaint, brief description of allegations made in the

complaint, details of investigations – date of investigation caused, date of investigation report, action recommended / approved / taken – and date of closure of complaint.

3. The covering letter, if any, shall be detached and kept under safe custody.
4. The Whistle Officer and/or Whistle Committee shall examine the allegations to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the disclosure constitute a wrongdoing / wrongful conduct / malpractice.
5. If the allegations do not constitute a wrongdoing / wrongful conduct / malpractice, the Whistle Officer shall record the findings (along with reasons / justification) and close the complaint with the approval of Whistle Committee.
6. If the allegations are prima facie constitute a wrongdoing / wrongful conduct / malpractice, the Whistle Officer shall proceed to investigate under intimation to the Whistle Committee.
7. If any complaint received with the allegation coming in the ambit of POSH (Prevention of Sexual Harassment) Act, the same shall be referred to the Internal Complaints Committee (ICC) constituted under POSH Act.
8. If any complaint received with the allegations which are in the nature of 'employee grievance' against the Supervisor(s) / Other employee and arising out of his / her position, the same shall be referred to HR to handle under 'employee grievance redressal' mechanism.
9. The anonymous / pseudonymous complaints shall not be investigated upon but the same are to be filed on record and if at any stage the Whistle Blower comes forward identifying himself / herself to be the initiator of subject anonymous / pseudonymous complaint with sufficient proofs, then the Whistle Committee at its discretion may take up such case for investigation.
10. Complaints under the Policy received, if any, by Authorities other than Whistle Officer / members of Whistle Committee shall be forwarded to Whistle Officer with a covering letter in duplicate to serve as an acknowledgement for the recipient, marked "Confidential – Complaint under Whistle Blower Policy".

### **The Process of Investigation of Complaints under the Policy**

1. On receipt of complaints under the Policy, the Whistle Officer shall initiate the process of making discrete enquiry by the Vigilance Unit.



2. The Whistle Officer / Whistle Committee, if necessary, will get in touch with the complainant – at the address / phone number / e-mail ID given in the complaint – for clarification / verification of the contents of the complaint. The complainant need not enter into any further correspondence on the matter.
3. All complaints received under the Policy shall be seen by the Whistle Committee who may assign the investigation to an appropriate “Authority” ensuring that the identity of the Whistle Blower is not disclosed.
4. Vigilance Unit, if necessary, shall obtain all relevant papers / documents with respect to the matters raised in the complaint and commence detailed investigation immediately.
5. Whistle Officer or the Investigation Officer nominated by the Whistle Committee shall complete the investigation and submit the report within a period of 60 days from the date of receipt of complaint.

#### **Closure of Complaints – Decision / Reward / Punishment**

1. On the basis of the investigation report, if allegations are proved to be correct then the Competent Authority shall recommend to the appropriate Disciplinary Authority to take suitable action against the responsible official as per Disciplinary Action Policy.
2. In cases where the allegations made in the complaint turns out to be false / wrong / incorrect the Whistle Committee may, at its discretion, decide to take an appropriate disciplinary action against the complainant for making false allegation and wasting Management’s time.
3. Whistle Committee shall have powers to look into and take necessary steps / actions in respect of any complaints received from the complaining employee about any harassment / victimization, etc., subsequent to his / her disclosing the concern to the Investigation Officers. Such action may include any type of disciplinary actions envisaged in Disciplinary Action Policy.
4. If complainant is not the employee of SBFC and the allegations made in the complaint turns out to be false / wrong / incorrect, Whistle Committee may, at its discretion, decide to take appropriate legal action against the complainant who shall be liable to compensate the person against whom allegations were made.
5. Whistle Committee shall also have powers to take Preventive measures or any action that are considered necessary to safeguard Company’s interest.

## Protection Available to the Whistle Blower

1. If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like 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/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:
  - a. The Whistle Blower has chosen to identify himself / herself.
  - b. The complaint / communication / disclosure is made in good faith.
  - c. The Whistle Blower reasonably believes that information, and any allegations contained in it, are substantially true; and
  - d. The Whistle Blower is not acting for personal gain.
2. Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals. However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.
3. Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
4. If the complaint is found to be motivated or vexatious, the Competent Authority is at liberty to take appropriate steps.
5. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. If any person is aggrieved by any action on the ground that he / she is victimized due to filing of the complaint, he / she may file an application before the Audit Committee seeking redressal in the matter. In case the complainant is an employee, all necessary steps / measures will be taken to prevent initiation of any adverse personnel action against the complainant.

6. While every measure of confidentiality is taken on the part of Whistle Committee to safe guard identity and inputs shared by Whistle Blowers, the Whistle Committee cannot vouch for the same level confidentiality on the part of the complainant of the issue.
7. This mechanism requires equal confidentiality from the Whistle Blower as much as he / she believes in the confidentiality at the end of the Whistle Committee. Thus, the complainant can report immediately to the Whistle Officer / Whistle Committee on any action / repercussion arising out of leak of information at his/her end. Such leak of information may occur by error of mention or sheer negligence on the part of complainant. The Whistle Committee reserves the right to investigate independently and take necessary action against the erring parties (including the complainant) revealed in the investigation.

### **Oversight of Senior Management / Board**

1. A Quarterly report with the number of complaints received under Whistle Blower Policy and their outcome shall be placed before the Audit Committee of the Board.
2. An Annual report with the number of complaints received under Whistle Blower Policy and their outcome shall be placed before the MD & CEO.

### **Record Retention**

1. All Whistle Blower complaints / documents along with the related investigation findings / report shall be retained for the period of seven years.
2. The proceedings / minutes of the meeting of Whistle Committee duly signed by the concerned authorities / its members be maintained in physical form for future reference / verification by internal / external auditors / regulators.

### **Implementation of the Policy**

1. This Policy shall be applicable to all Branches / Corporate or Administrative Offices of SBFC with immediate effect.
2. A copy of "Whistle Blower Policy" shall be displayed at prominent place inside the Branch / Office premises for general information and notice of all concerned – members of staff, customers and general public.

## **Review of the Policy & Process**

1. Audit Committee of the Board shall review Whistle Blower Policy and functioning of this Mechanism on an annual basis as to the essentials of bringing changes to enhance its effectiveness.
2. Audit Committee of the Board reserves its right to amend or modify this Policy in whole or part thereof, at any time, without assigning any reason whatsoever.
3. The decision of Whistle Committee shall be final when it comes to interpretation of any clause mentioned in this Policy.