

WHISTLE BLOWER/VIGILANCE POLICY

I. Preamble:

The IFCI Factors Limited (the Company) is committed to the highest possible standards of ethical, moral and legal business conduct justifying its existence as a Good corporate Citizen. In line with this commitment, Company encourages disclosures by its employees, directors and vendors “**incidents**” that reveal violation of law, bribery, fraud, questionable business practices or grave misconduct by its employees, directors and vendors which could lead to financial loss or reputation risks to the Company.

In pursuit of the Company’s endeavor to further strengthen the mechanism in place and to instill greater confidence in the mind of the employees, directors and vendors of the Company to speak up, it is thought fit to provide a comprehensive policy for the Company on Whistle Blowing. This policy should be read in conjunction with applicable regulations & existing policies.

II. Objectives:

The objectives of Company’s Whistle Blower/Vigilance Policy are: -

- a) To provide an avenue for employees, directors and vendors to raise concerns about violation of law, questionable business practices or grave misconduct by the employees, directors and vendors of Company, which could lead to financial loss or reputation risks to Company.
- b) To provide reassurance of the protection to the whistle blower from reprisals, discrimination or victimization for whistle blowing in good faith.
- c) To provide with a regulation concerning the reporting, investigation and settlement of incidents.
- d) To provide direct access to the Chairman of the Audit Committee where senior management, director is involved;
- e) To take suitable action against the concerned director or employee including reprimand in cases of repeated frivolous complaint;
- f) To provide for mandatory periodic review of the functioning of the Whistle blowing mechanism by the Audit Committee.

III. Scope

Whistle Blower/Vigilance Policy applies to all Employees, Directors and vendors of the Company, including persons employed or associated with Company on contractual/temporary/retainership basis.

IV. Implementation of the Policy

The Whistle Blower/Vigilance Policy and its implementation shall come under the purview of Legal and Secretarial department.

V. Incidents

Incidents are in sum defined as an action or inaction by an employee, director or vendor resulting in a breach of the law or breach of Company's policies/code/regulations /guidelines or questionable business practices or grave misconduct, that may result in financial loss or reputation risk to Company.

VI. Circumstances under which employees, directors or vendors are expected to blow the Whistle:

- (a) It is obligatory on the part of all Company employees, directors or vendors to blow the whistle, immediately upon coming to know or having knowledge of the happening or occurrence of an incident.
- (b) Deliberate inaction by any employees, director or vendor may leave scope for being construed as passive complicity and rendering themselves liable for appropriate action by Company.

VII. Procedure for Reporting

- (a) Any employee, director or vendor who has reason to believe that he / she has become aware of questionable business practices or grave misconduct, he / she must immediately report those facts to the designated '**Reporting Officer**'.
- (b) In the event of any suspicion or perceived involvement or linkage of the Reporting Officer/ MD/ Directors/ Senior Management staff to the incident/act of discrimination, retaliation or harassment caused to the Whistle blower, such incident shall be reported to Audit Committee or Board of Director.
- (c) Whistle blowing shall be in written form only and it is preferable that the employee makes his / her report in writing, revealing his/her identity.
- (d) Anonymous reporting of 'Incidents' in writing would also be considered for investigation, provided the incidents reported are supported by verifiable facts.
- (e) An exclusive mail address / post office box / email ID for the purpose of reporting by the Whistle blowers shall be established by the Company.
- (f) To facilitate swift reporting by whistle blowers without much loss of time, any other mode of communication as may be deemed fit and appropriate shall be established by the IFL.

VIII. Appointment of 'Reporting officer'

The Company shall designate a Reporting Officer for receiving complaints from whistle blowers. Such Reporting Officer for Whistle blowing should satisfy the following eligibility criteria:

- a) He/ she should be a senior executive, holding position not below the rank as head of a function in the IFL. ;

- b) He/ she should be functionally independent, not reporting to Heads of any business or other function, and should report directly to the Managing Director of the Company.
- c) He/she should have sufficient experience with good analytical skills and aptitude, accompanied by sound judgment;
- d) He/she should have an eye for details and possess investigative capabilities.
- e) He/she should possess good working knowledge of statutes and regulations generally related to matters connected with the 'Incidents'.

Based on the requirement, the Company Secretary of the Company is designated as the Reporting Officer under this Policy.

IX. Preliminary screening & evaluation of complaints

- (a) The Reporting Officer shall in close coordination and support of the Legal department, Corporate Secretarial Department or other departments, carry out such preliminary screening / investigation of the complaints received by him as appropriate to check the veracity of the complaints based on verifiable facts, before proceeding to carry on further investigation.
- (b) If based on such preliminary screening / investigation, it turns out that the complaint was frivolous/ vexatious, the Reporting Officer shall drop / close the matter after discussing with MD, and however, brief of such incident shall be provided Audit committee.
- (c) In case there is complaint against Reporting Officer, or officers which are involve in screening of complaints, MD shall nominate other officers for preliminary screening / investigation.
- (d) In case the complaint is against MD, then in such cases, the case should be reported by Reporting officer to Audit committee. In such circumstances, investigating officers shall be decided by Audit committee.
- (e) If any member of the Audit Committee have a conflict of interest in a given case, he/she would recuse himself/herself and the others on the Audit Committee would deal with the matter at hand.

X. Investigation:

- (a) All complaints under this policy shall be in writing and be promptly and thoroughly investigated by the Reporting Officer.
- (b) All information disclosed during the course of the investigation shall remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.
- (c) The investigation of such complaints and finalisation of the course of action shall be completed within a period of 8 weeks from the date of reporting of the complaint.

- (d) All employees, supervisors, directors, and vendors shall be duty bound to cooperate in the investigation of the complaints as regards the incidents.
- (e) An employee shall be subject to disciplinary and other action as may be deemed appropriate within the framework of applicable laws / rules / regulations, if the employee fails to cooperate in an investigation, or deliberately conceals information or provides false or misleading information during an investigation.
- (f) In case of repeated frivolous complaints being filed by a director/employee/vendor, the Audit Committee may take suitable action against the concerned director/employee/vendor including reprimand.
- (g) Audit Committee shall decide disciplinary and other actions, as they deem fit.

XI. Protection to Whistleblowers from Discrimination, Victimization, Retaliation or Harassment

- (a) Company strictly prohibits any discrimination, victimization, retaliation or harassment against any person who reports incidents of questionable business practices or grave misconduct and who participates in an investigation of complaints about questionable business practices or grave misconduct.
- (b) If any employee who has blown the whistle later believes that he / she has been subject to discrimination, victimization, retaliation or harassment he / she must immediately report those facts in writing to the 'Reporting Officer'.
- (c) Managers, supervisors, or employees who caused such discrimination, victimization, retaliation or harassment related to any reporting of 'incidents' or investigation of questionable business practices or grave misconduct shall be subjected to prompt and thorough investigation and appropriate action shall be initiated against them within the framework of applicable laws / rules / regulations.
- (d) Any discrimination, victimization, retaliation or harassment the whistle-blowing employee, directors or vendor was subjected to in any manner shall be sought to be set right by appropriate remedial/ mitigating measures.

XII. Reporting

The Reporting Officer shall submit a report to the Audit Committee on a quarterly basis about all Reported Disclosures referred to him/her since the last report together with the results of investigations, if any, actions recommended and implementation. The report shall be reviewed and recorded by the Audit Committee.

XIII. Retention of records:

All documents related to the reporting, investigation and enforcement of this policy shall be kept in accordance with the applicable laws.

XIV. Reporting to External Authorities:

Employees, directors and vendors are required to report any questionable business practices or acts of grave misconduct to the Company first, before reporting to external authority like the regulator, police, etc., as it is the responsibility of the Company to check the veracity and authenticity of such complaints and ensure that the correct information / particulars are provided to such external agencies / authorities.

XV. Modification:

Modifications to this Policy may be carried out with the approval of the Audit Committee whenever necessary, among other reasons, to maintain compliance to laws and regulations and/ or to accommodate organizational changes within the Company. With change in regulations, Whistle Blower/Vigilance Policy shall be changed to comply with regulations.

XVI. Communication to all Employees:

The Policy shall be widely communicated by the HR Department internally to all employees and directors through letters/emails/circulars, and the same shall be uploaded on the website of the Company as well as in the Board's Report from time to time.
