



## IKF HOME FINANCE LIMITED

<b>Name of Policy</b>	Whistleblower Policy/Vigil Mechanism
<b>Date of Last Approval/Review</b>	May 27, 2024
<b>Prepared By</b>	Secretarial Department
<b>Approving Authority</b>	Board of Directors
<b>Version</b>	2024

# Whistleblower Policy/Vigil Mechanism



## 1. Preface

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the IKF Code of Conduct (“the Code”) as prevalent from time to time, which lays down the principles and standards that should govern the actions of the Company, its Associates and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees in pointing out such violations of the Code cannot be undermined. The Whistleblower policy will be applicable for both IKF Finance and IKF Home Finance at group level.

There is a provision under the Code requiring employees to report violations, which states: “Every employee of the Company shall promptly report to the management, when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanor or act not in the company’s interest. Such reporting shall be made available to suppliers and partners, too. Any employee can choose to make a protected disclosure under the whistleblower policy of the company, providing for reporting to the chairperson of the audit committee or the board of directors or specified authority. Such a protected disclosure shall be forwarded, when there is reasonable evidence to conclude that a violation is possible or has taken place, with a covering letter, which shall bear the identity of the whistleblower. The company shall ensure protection to the whistleblower and any attempts to intimidate him/her would be treated as a violation of the Code”

Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism –

- a. Every listed company;
- b. Every other company which accepts deposits from the public;
- c. Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

Further, Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called the ‘Whistleblower Policy’ for directors and employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy.

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Accordingly, this Whistleblower Policy (“the Policy”) has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Chairman of the Audit Committee of the Company.

### 2. Objective

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. 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. This policy aims to provide an avenue for employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

### 3. Scope

This Policy is an extension of the IKF Code of Conduct. The Whistleblower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

### 4. Confidential

Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Investigators.

Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.

### 5. Eligibility

All Employees and directors of the Company along with temporary workers, contractors, suppliers, clients or any individual who becomes aware of illegal business activities, are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

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### 6. Definitions

- a. “Disciplinary Action” means any action that can be taken on the completion of /during the investigation proceedings including but not limiting 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.
- c. “Employee” means every employee who is on the payroll of the company. “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. Protected Disclosures should be factual and not speculative in nature.
- d. “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 under this Policy.
- e. “Whistleblower” is someone who makes a Protected Disclosure under this Policy.
- f. “Whistle Officer” or “Whistle Committee” or “Committee” means an officer or Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosure received from the whistleblower and recommend disciplinary action. The Committee, if appointed, should include Senior Level Officers of HR, Compliance and a representative of the Division/ Department where the alleged malpractice has occurred. Whistle officer would be an external agency which would be recruited to conduct an investigation as and when the need arises.
  - Head HR from HR team will represent such whistle committee and will facilitate the formation of full whistle committee as may be required when incidents are reported.
  - The CEO is also authorized to take decisions to constitute such committee as may be required.
- g. “Company” means, “ Companies under the banner of IKF Group (presently IKF Finance Ltd & IKF Home Finance Ltd
- h. “Good Faith”: 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. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the 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. “Policy or This Policy” means, “Whistleblower Policy.

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### 7. Guiding Principles

- a. 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 Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
  - ii. Ensure complete confidentiality

### 8. Not attempt to conceal evidence of the Protected Disclosure

- a. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
- b. Provide an opportunity of being heard to the persons involved especially to the Subject

### 9. Anonymous Allegations

- a. Whistleblowers must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.

### 10. Protection to Whistleblower

- a. No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection will, therefore, be given to Whistleblowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, Confidential which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.
- b. A Whistleblower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

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- c. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).
- d. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistleblower.
- e. Refer Disciplinary Action and Grievance Redressal Policy for disciplinary action.

### 11.Accountabilities

#### 11.1. Whistleblowers

- a. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- b. Avoid anonymity when raising a concern
- c. Follow the procedures prescribed in this policy for making a Disclosure
- d. Co-operate with investigating authorities, maintaining full confidentiality
- e. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- f. A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- g. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed.
- h. In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Committee, he/she can make a direct appeal to the MD of the Company
- i. Whistle Officer and Whistle Committee conduct the enquiry in a fair, unbiased manner and ensure complete fact-finding and maintain strict confidentiality
- j. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- k. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- l. Minute Committee deliberations and document the final report

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### 12.Rights of Subject

- a. Subjects have right to be heard and the Whistle Officer or the Committee must give adequate time and opportunity for the subject to communicate his/her say on the matter
- b. Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process

### 13.Management Action on False Decision

- a. 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.
- b. 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.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make three or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

### 14.Procedure for Reporting and Disclosure

- a. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation in the format given in annexure 1 (It is recommended that a committee dedicated to handle whistleblower complaints be formed, which includes experts from each and every department at group level).
- b. The contact details of the Chairman of the Audit Committee of the IKF Finance Ltd is as under:
- c. Sri. S.Veerabhadra Rao Chairman – Audit Committee of Directors  
40-1-144, Corporate Centre, M.G. Road  
Vijayawada – 520010.

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Email id – xxx

d. The contact details of the Chairman of the Audit Committee of the IKF Home Finance Ltd is as under:

e. Sri. R S Garg Chairman – Audit Committee of Directors

My Home Twitza, 11<sup>th</sup> Floor APIIC Knowledge City , Hyderabad 500 032.

Email id –XXX

- f. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Company's Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.
- g. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Telugu or in the regional language of the place of employment of the Whistleblower.
- h. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistleblower. The Chairman of the Audit Committee as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- i. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- j. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistleblowers.

### 15. Investigation

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand.
- b. The Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.



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- c. The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may Confidential not support the conclusion of the Whistleblower that an improper or unethical act was committed.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure

### 16. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as

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perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

- c. Investigations will be launched only after a preliminary review which establishes that:
  - i. the alleged act constitutes an improper or unethical activity or conduct, and ii. Either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

### 17. Decision

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as Confidential as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

### 18. Reporting

The Chairman shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

### 19. Reward Policy

- a. Reward will be given to individual who voluntarily report independently derived information leading to the successful prosecution. To qualify for reward, financial implication involved should be more than Rs.1, 00,000/-. The chairperson of the Whistle Blower Committee will decide the reward.
- b. The whistleblower must provide the management with “original information.” Original information: (1) must be “derived from the independent knowledge or analysis of the whistleblower”; (2) cannot be known to the management from any other source; and (3) While “bits and pieces” of the whistleblower’s information may be derived or previously known to the management, the whistleblower must provide critical information that was unknown to the management and led to the success

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### 20. Offences & penalties

- a. Where the Whistle Blower Committee, at the time of examining the information submitted by the officials concerned, is of the opinion that the officials concerned, without any reasonable cause, has not furnished the information within the specified time or intentionally (malafide) refused to submit the information or knowingly given incomplete, incorrect or misleading or false information or destroyed record or information which was the subject of the disclosure or obstructed in any manner in furnishing the information, it shall impose a penalty as deemed fit by the Management.
- b. Provided that no penalty shall be imposed against any person unless he has been given an opportunity of being heard.
- c. Any person who makes any disclosure intentionally and knowingly that it was incorrect or false or misleading shall be punishable with fine as may be decided by the whistle blower committee

### 21. Retention of Documents

The Company shall retain all Protected Disclosures in writing or documented along with the results of investigation relating thereto for a minimum period of 07 years.

Each record should be precisely labeled, indicating its content as per the whistleblower reports and investigations. Additionally, there has to be a well-defined schedule for record maintenance to ensure that documents are consistently reviewed, updated, and retained for the appropriate duration as mentioned.

Furthermore, a specified location and custodian responsible for each record has to be assigned to facilitate easy retrieval and access when needed, streamlining the management of whistleblower-related documentation.

### 22. Reports

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Whistle Committee and the corrective actions taken will be sent to the CEO of the Company.

### 23. Company's Powers

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- a. The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.
- b. Annual affirmation
  - i. The Company shall annually affirm that it has not denied any personnel access to the Committee and that it has provided protection to whistle blower from adverse personnel action.
  - ii. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.
  - iii. The Compliance officer/Whistle officer shall present a status report to the management every quarter on the number of incidents reported, investigated and disposed off.

### 24.Examples

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

- a. Abuse of authority
- b. Breach of contract
- c. Negligence causing substantial and specific danger to public health and safety
- d. Manipulation of company data/records
- e. 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
- f. Any unlawful act whether Criminal/ Civil Pilferation of confidential/propriety information
- g. Deliberate violation of law/regulation
- h. Wastage/misappropriation of company funds/assets
- i. Breach of Company Policy or failure to implement or comply with any approved Company Policy

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- j. Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

### **25.Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and directors unless the same is notified to the Employees and directors in writing.

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### Annexure 1

#### Template for Reporting Violation

Please select the applicable incident type(s) from the list below that best describes the issue(s) you are reporting. Please note that multiple issues can be selected

1. Misappropriation of company assets or resources  
☐
2. Conflict of interest  
☐
3. Inappropriate sharing of confidential information  
☐
4. Financial fraud of any nature  
☐
5. Violation of gifts and entertainment policy  
☐
6. Non-adherence to safety guidelines  
☐
7. Inaccurate financial reporting  
☐
8. Bribery & Corruption  
☐
9. Insider trading including instances of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)  
☐
10. Other forms of Harassment – Victimization, Bullying, Discrimination etc.  
☐
11. Social Media Usage  
☐
12. Misuse of authority  
☐
13. Environment, health and safety  
☐
14. Concurrent employment  
☐
15. Others \_\_\_\_\_

Please provide name, designation and department of the person(s) involved?

	Name	Department	Individual
Individual 1			

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Individual 2			
Individual 3			
Individual 4			

When did the incident occur? (Please provide tentative date if you do not know the exact date)

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Please confirm the location of the incident

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How did you find out about this incident?

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How long has this been occurring for?

- Less than a month
- 1-6 months
- 6-12 months
- Greater than 12 months

Please provide a detailed description of the incident. To enable your company to act on your complaint, you are requested to provide specific information. Where possible, please include names, location, date, time etc. Please note that this field is limited to 5,000 characters.

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Do you have any evidence in support of your allegations?

- Yes
- No

Is anyone else aware of this incident?

- Yes
- No

Is there any additional information that would facilitate the investigation of this matter?

- Yes
- No

Have you reported this incident to anyone in the company?

- Yes
- No

Date:

Location:

Name of the Person reporting:

Contact Information (email optional):

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