



WHISTLE BLOWER POLICY AND VIGIL MECHANISM



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AND
VIGIL MECHANISM
(Version: 8)



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<i>Policy Name</i>	
Policy Approval authority	Audit Committee Board of Directors
Policy Owner	Company Secretary and Compliance Officer
Policy Implementation Authority	Company Secretary and Compliance Officer and Chief Human Resource Officer
Version	Version 8.0
Issue Date	April 29, 2024
Date of last review	April 29, 2024

<i>Relevant Act/Rules/Regulations</i>
1. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
2. Companies Act, 2013



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VERSION CONTROL

Version Control No.	Author	Approval Date	Date Effective	Version Description
V.1	Jitendra Bhati Company Secretary	17 May 2013	17 May 2013	-
V.2	Jitendra Bhati AVP – Compliance & Secretarial	15 May 2015	15 May 2015	Amendment in line with Companies Act, 2013, with respect to establishing a Vigil Mechanism
V.2	Jitendra Bhati AVP – Compliance & Secretarial	05 February 2018	21 May 2018	Amendment in line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
V.3	Jitendra Bhati SVP – Compliance & Secretarial	02 February 2019	01 April 2019	Enhancement in the scope of the Policy to cover complaints related to leak of unpublished price sensitive information of the Company in line with Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 dated 31 December 2018
V.4	Jitendra Bhati SVP – Compliance & Secretarial	04 February 2021	04 February 2021	Incorporate details of hotline for reporting complaints via telephone / website and allowing anonymous reporting of complaints.
V.5	Jitendra Bhati SVP – Compliance & Secretarial	10 November 2021	10 November 2021	Amendment in investigation protocols to align with organizational changes
V.6	Jitendra Bhati SVP – Compliance & Secretarial	30 March 2023	30 March 2023	Replacement of name of Chief Executive Officer pursuant to resignation of Mr. Deep Jaggi and appointment of Mr. Karthikeyan Srinivasan as whole-time Director designated as Chief Executive Officer of the Company
V.7	Vinod Kumar Panicker – Chief Financial Officer	25 May 2023	25 May 2023	Replacement of name of Vigilance and Ethics Officer pursuant to resignation of Mr. Jitendra Bhati and appointment of Ms. Shikha Jain as Company Secretary and Compliance Officer



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V.8	Company Secretary and Compliance Officer	April 29, 2024	April 29, 2024	Alignment with the applicable provisions, updation of registered office address, Insertion of certain definitions and format of reporting violation



WHISTLE BLOWER POLICY AND VIGIL MECHANISM

1. PREFACE

- 1.1. In terms of the provisions of the Companies Act, 2013 read with rules framed thereunder (“**Act**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**PIT Regulations**”) every listed company, is required to establish a whistle blower policy/vigil mechanism for its stakeholders, including the Directors and the Employees, to report genuine concerns regarding the Company and provide adequate safeguards against victimization of the Director(s) or the Employee(s) and/or any other person who avails the mechanism and also provide for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. In compliance with the provisions of the Act, the LODR Regulations and the PIT Regulations on recommendation of the Audit Committee, the Board have adopted this whistle blower policy and vigil mechanism (“**Policy**”), in order to provide a mechanism to stakeholders of the Company, including the Directors and the Employees and their representative bodies, to report and freely communicate their concerns about illegal or unethical practices within the Company, to appropriate authorities.

2. OBJECTIVES

- 2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. To maintain these standards, the Company encourages its stakeholders including the Directors and the Employees, who have concerns about suspected misconduct or any illegal or improper conduct and/or unethical practices within the Company or on the part of any Employee or a consultant, supplier, client, counterparty or any other third party, to come forward and express these concerns without fear of punishment or unfair treatment. The Policy provides a channel to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of various laws applicable to the Company and codes or policies of the Company or suspected misconduct or any illegal or improper conduct.
- 2.2. The Policy neither releases the Director(s) and / or Employee(s) from their duty of confidentiality in the course of their work nor can it be used as a route for raising frivolous, malicious or unfounded allegations against people in authority and/ or colleagues in general.

3. SCOPE OF THE POLICY

- 3.1. The Policy covers malpractices, misconduct, illegal or improper conduct and/or unethical practices and events which have taken place/ are suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of laws and Company rules and policies, manipulations, negligence causing danger to public health and safety, misappropriation of monies, leakage or misuse of unpublished price sensitive information, and other matters or activity on account of which the interest of the Company is affected/ may be affected and formally reported by Whistle Blowers (*defined later*). Specific examples may include without limitation:



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- Criminal offences (corporate fraud, corruption, bribery or theft), which have been or are likely to be committed;
- Unethical business conduct and serious irregularities, regulatory and/ or financial;
- Conflict of business interest;
- Misuse of Company assets;
- Misuse of authority;
- Willful suppression of facts;
- Funds being used in any unauthorized manner;
- Mis-statement in the Company's financial records and distorting the true nature of the transaction(s);
- Falsification of transactions/ documents;
- Health or safety of any individual/Employee is likely to be endangered;
- Discrimination occurring to any member of the staff such as favouritism, communal bias, sexual harassment*, etc.;
- Actions by a person or persons exceeding the authority granted to such person or persons in the day to day course of Company's business;
- Leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information;
- Any other form of improper, illegal or unethical action or conduct.

3.2. This Policy shall not be used in place of the Company grievance procedure or be a route for raising malicious or unfounded allegations against colleagues.

3.3. *In case of sexual harassment, the Policy for Prevention of Sexual Harassment [PFPOSH] of the Company shall be applicable and the complaint shall be closed as per the process described therein.

4. DEFINITIONS

4.1. "**Audit Committee**" means the committee constituted by the Board in accordance with Section 177 of the Act and Regulation 18 of the LODR Regulations.

4.2. "**Board**" means the board of directors of the Company.

4.3. "**Company**" means IndoStar Capital Finance Limited.

4.4. "**Director**" means person appointed as a director on the Board pursuant to the applicable provision of the Act.

4.5. "**Employee**" means all the present employees, including employees on-roll, off-roll or on contract basis, including all Director(s) of the Company.



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- 4.6. A Director or an Employee shall be considered to be communicating in “**Good Faith**”, if there is a reasonable basis for communication by such Director or Employee, of any malpractices, misconduct, illegal or improper conduct and/or unethical practices or any other alleged wrongful conduct. Good faith shall be considered to be lacking when such Director or Employee does not have personal knowledge of a factual basis for such communication or such communication is based on hearsay of such Director or Employee.
- 4.7. “**Protected Disclosure**” means a concern raised by a stakeholder through a written communication/ via hotline and made in Good Faith which discloses or demonstrates information about malpractices, misconduct, illegal or improper conduct and/or unethical practices under the title ‘Scope of the Policy’ of this Policy, with respect to the Company. It should be factual and not speculative or in the nature of an interpretation/ conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern. It is clarified that information about suspected illegal or unethical practices will also be considered a Protected Disclosure, provided there is some factual basis of such information.
- 4.8. “**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.
- 4.9. “**Vigilance and Ethics Officer**” means an officer appointed as such, from time to time, to receive Protected Disclosures from Whistle Blowers, maintaining records, ensuring disposal thereof, placing the same before the Audit Committee, if deemed to be necessary, for its disposal and informing the Whistle Blower the result thereof.
- 4.10. “**Whistle Blower**” is a person / group of persons who make a Protected Disclosure(s) under this Policy and also referred in this Policy as complainant.
- 4.11. “**Compliance Team**” means and includes the Chief Compliance Officer, Company Secretary and Compliance Officer and the Compliance and Secretarial Team.

5. ELIGIBILITY

All stakeholders, including Directors and Employee(s) of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

6. RECEIPT, INVESTIGATION AND DISPOSAL OF PROTECTED DISCLOSURES

- 6.1. All Protected Disclosures should be reported in writing/ through hotline (details mentioned below) by the Whistle Blower as soon as possible upon the Whistle Blower becoming aware of the same so as to ensure a clear understanding of the issues raised. An anonymous reporting of suspected wrongdoing may be made if the complainant so desires. Details of hotline are as mentioned below:



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Hotline No.: 000 80005 02317

Website: Indostar.ethicspoint.com

6.2. Additional points for Protected Disclosures not submitted through hotline route:

- a. The Protected Disclosure should be submitted in a closed and secured envelope addressed to the Vigilance and Ethics Officer of the Company and should be super scribed as **“Protected Disclosure under the Whistle Blower Policy/ Vigil Mechanism – to be opened by Addressee only”** as per the format provided in Annexure I. Alternatively, the same can also be sent through email addressed to the Vigilance and Ethics Officer of the Company with the subject **“Protected Disclosure under the Whistle Blower Policy/ Vigil Mechanism”**. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the Whistle Blower and they are advised neither to write their name/ address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he/she will get in touch with the Whistle Blower.
- b. A Protected Disclosure to the extent possible should include such information about the actual/ alleged malpractices, misconduct, illegal or improper conduct, unethical practices and/ or violation like the nature of the activity; the identities of persons involved in such activity; a description of documents that relate to such activity; and the time frame during which the activity occurred/ might occur.
- c. The Protected Disclosure should be forwarded under a covering letter. In case the Whistle Blower has disclosed his/ her identity in the covering letter, the Vigilance and Ethics Officer/ CEO/ chairman of the Audit Committee as the case may be, shall detach and destroy the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- d. All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company. The contact details of the Vigilance and Ethics Officer is as under:

Name and Address:

Shikha Jain

Company Secretary & Compliance Officer

Silver Utopia, Third Floor, Unit No 301-A,

Opposite P & G Plaza, Cardinal Gracious Road,

Chakala, Andheri (E), Mumbai – 400099

Email – sjain4@indostarcapital.com

- e. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the chief executive officer (CEO) of the Company:



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Name and Address of the CEO:

Mr. Karthikeyan Srinivasan
 IndoStar Capital Finance Limited
 Silver Utopia, Third Floor, Unit No 301-A,
 Opposite P & G Plaza, Cardinal Gracious Road,
 Chakala, Andheri (E), Mumbai – 400099
Email – ksrinivasan@indostarcapital.com

- f. Additionally, Directors and Employees of the Company may report genuine concerns directly to the chairperson of the Audit Committee in appropriate and exceptional cases. Email id of the chairperson of the Audit Committee is chairman_ac@indostarcapital.com.

On receipt of the Protected Disclosure, the Vigilance and Ethics Officer/ CEO/ chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and intimate the investigating lead. Investigation lead and action approving authority shall be as under:

Category	Investigation Lead	Approver of final findings and action
Bribery, Corruption and Fraud		
Third party action <i>(without staff involvement)</i>	Risk Control Unit jointly with business / functional head.	Majority members of the management committee and chief human resources officer (“CHRO”).
Staff Action	Risk Control Unit along with human resources team.	Majority members of the management committee and CHRO
Workplace misconduct	CHRO	Majority members of the management committee
Complaints with respect to sexual harassment	Internal complaints committee/ Regional complaints committee	Management committee
Financial statement fraud	External professional agency	Audit Committee
Other violation, malpractices, misconduct, illegal or improper conduct, unethical practices	To be defined on a case-by-case basis by Management committee	
Notes:		



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Category	Investigation Lead	Approver of final findings and action
		<ul style="list-style-type: none">- If allegation is to be made against an Investigation Lead or member of Approver group, then they shall recuse from the process.- Upon any complaint/ issue being raised, the [Compliance Team] shall be intimated immediately for further reporting- In case a complaint is made directly to the chairperson of the Audit Committee or if the Audit Committee decides to take a matter for investigation directly, then the chairperson of the Audit Committee shall lead the investigation with help of such persons as he/ she may deem fit.

- g. The matter may be placed before the Audit Committee of the Company, if deemed necessary by the Investigation Lead / Approver, which would then be the nodal agency for further appropriate investigation and needful action. If any of the members of the Audit Committee have a conflict of interest in a given case, they shall recuse themselves and the remaining members of the Audit Committee will deal with the matter on hand.
- h. The Investigation Lead shall maintain a record of how the complaint has been dealt with. The record shall contain:
- i. Brief facts;
 - ii. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - iii. Whether the same Protected Disclosure was raised previously on the same Subject;
 - iv. Details of actions taken by Vigilance and Ethics Officer for processing/ disposing the complaint;
 - v. Findings of the Audit Committee, if any;
 - vi. The recommendations of the Audit Committee/ other action(s), if any.

6.3. Investigation Lead and Approvers shall ensure the following:

- a. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- b. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- c. Subject(s) shall have a duty to co-operate with the investigating officer(s).
- d. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the Subject(s) or any other Employee/ Director of the Company.



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- e. Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- f. Subject(s) have a right to be informed of the outcome of the investigations. 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.
- g. The investigation shall be completed normally within 90 (Ninety) days of the receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.

7. DECISION AND REPORTING

- 7.1. If an investigation leads to a conclusion that a malpractice, misconduct, illegal or improper conduct, unethical practice or act has been committed, the Investigation Lead(s) shall recommend to the approving authority, as per abovementioned protocols, such disciplinary or corrective action as it deems fit, which may include issuance of warning, imposition of fine, suspension from official duties. It is clarified that any disciplinary or corrective action initiated against the Subject 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.
- 7.2. The Vigilance and Ethics Officer shall submit a report, on quarterly basis, to the chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him since the last report together with the results of investigations, if any. The report shall be quarterly discussed in the Audit Committee. If the Protected Disclosure is against any member of the Audit Committee (including the chairman of the Audit Committee), such an individual shall recuse from the proceedings of the Audit Committee when the matter is being discussed.
- 7.3. In case the Subject is the CEO of the Company, the chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 7.4. If the report of investigation is not to the satisfaction of the Whistle Blower, the Whistle Blower has the right to report the event to the appropriate legal or investigating agency.
- 7.5. A Whistle Blower who makes false, mala fide, or frivolous allegations of unethical, illegal, and/or improper practices or about alleged wrongful conduct of the Subject, such Whistle Blower shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

8. SECRECY/ CONFIDENTIALITY



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The Whistle Blower, Vigilance and Ethics Officer, members of Audit Committee, CEO, the Subject and everybody involved in the process shall:

- a. Maintain confidentiality of all matters under this Policy;
- b. Discuss only to the extent or with those persons as required under this Policy for completing the process of investigations;
- c. Not keep the papers related to any Protected Disclosures or related investigation unattended anywhere at any time;
- d. Keep in a secure manner all the electronic mails / files related to any Protected Disclosure or related investigation.

9. PROTECTION

- 9.1. To ensure that this Policy is adhered to, and to assure that the concerns will be acted upon seriously, it will be ensured that no unfair treatment will be meted out to a Whistle Blower 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 Whistle Blowers. Complete protection will, therefore, be given to the Whistle Blowers 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 Whistle Blower's right to continue to perform his/her duties/ functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company may arrange for the Whistle Blower to receive advice about the procedure, etc.
- 9.2. A Whistle Blower may report any violation of the above clause, in the manner in which Protected Disclosure is made, and such violation shall be investigated into, as a Protected Disclosure.
- 9.3. Subject to latter part of this paragraph, the identity of the Whistle Blower shall be kept confidential by the Company. The identity of the Whistle Blower will not be revealed unless he himself/ she herself has made either his/ her details public or disclosed his/ her identity to any other office or authority. In the event of the identity of the Whistle Blower being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this Policy, unless the issue requires investigation by law enforcement agencies, in which case relevant members of the organization are subject to subpoena.



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- 9.4. Any other person assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 9.5. The Whistle Blower, before making a complaint should have reasonable belief that an issue exists and he/ she has acted/ acts in Good Faith. Any complaint not made in Good Faith as assessed as such by the Audit Committee shall be viewed seriously and the Whistle Blower shall be subject to disciplinary action as per the rules/ certified standing orders of the Company. This Policy does not protect a complainant from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this Policy.

10. COMMUNICATION

This Policy, along with details of the establishment hereof, shall be placed on the website of the Company.

11. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company in terms of the [Record Retention Policy] of the Company or such other period as specified by any other law in force, whichever is more.

12. ADMINISTRATION AND REVIEW OF THE POLICY

The Audit Committee shall be responsible for the administration, interpretation, application and review of this Policy. The Audit Committee also shall be empowered to make necessary changes to this Policy, if required, with the concurrence / approval of the Audit Committee.

13. 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 unless approved by the Audit Committee and Board. Such modified Policy shall accordingly be placed on the website of the Company. Where any amendment is required by way of any change in law, such change in law shall be deemed to be incorporated into this Policy until the required amendment of this Policy is made.



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Annexure - I

Template for reporting Violation

To: Vigilance and Ethics Officer/ CEO/ chairman of the Audit Committee

Violation Details:

- a. Nature of Violation
- b. Individual/team/function involved

Critical Incidents and Factual Data:

- a. General Nature of matter i.e. incident details
- b. List supporting information/ data that you would have, that the Committee can seek from you while investigating.

Date: _____

Location: _____

Name of the person reporting (optional): _____

Contact Details (optional): _____