



**ELECTRONICA FINANCE LIMITED**  
**VIGIL MECHANISM / WHISTLEBLOWER POLICY**

## **1. PREAMBLE**

This Vigil Mechanism/Whistle Blower Policy (“Mechanism” or “Policy”) has been formulated pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the applicable rules thereto as applicable and amended from time to time and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(including amendments therein) (hereinafter referred to as “Law”), by the Board of Directors of Electronica Finance Limited (“EFL” or the “Company”) to establish a mechanism called Vigil mechanism/ Whistle Blower Policy for Employees and Directors to report to the management, instances of unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

Accordingly, a Vigil Mechanism and Whistle Blower 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, and in some cases, the Chairperson or Managing Director of the Company, to report genuine concerns.

In our endeavour to adopt the best practices and higher standards we have also factored in RBI’s Protected disclosure scheme for Private Sector and Foreign Banks as an input to this document.

The Vigil Mechanism should provide for adequate safeguards against victimisation of directors, employees who use such mechanism to report any protected disclosure and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

This policy shall be effective from the date of approval by the Board of Directors of the Company.

## **2. OBJECTIVE**

The Company adheres to the highest standards of ethical, moral and legal conduct of business operations and has thus established the Policy to facilitate employees to report concerns of any unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

The objective of this Policy is to provide a framework to promote responsible and secure whistle blowing in case of any instance of malpractice or misconduct. This Policy encourages Directors and Employees (defined hereunder) to bring to the Company’s attention instances of any unethical actual or suspected incidents of fraud or violation of the Company’s code that could adversely impact the Company’s operations, business performance and/or reputation or raise bona fide concerns. The Company shall investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

## **3. APPLICABILITY**

This Policy is applicable to all Directors and Employees of EFL.

## **4. DEFINITIONS**

**“Alleged Wrongful Conduct”** shall include the following:

- illegal or unethical conduct including that adversely affects investors, shareholders, customers, suppliers, other employees or the business performance or image or reputation of the Company;
- fraud or suspected fraud including financial irregularities;
- violation of applicable laws or EFL rules including breach of code of conduct;
- Abuse of authority
- manipulation of records and/or data;
- negligence causing danger to health and safety of Employees or public at large;
- hiding or trying to hide/camouflage of any such misconduct;
- leaking of Company’s confidential / sensitive information or data/papers;
- misuse or misappropriation of Company’s assets, position, power or authority for personal gain;
- conflict of interest with the Company
- Deliberate violation of law/regulation and illegality
- any other incident, that is unusual in nature and calls for attention of the Company’s management.

**“Audit Committee”** means the Audit Committee of the Company as per Section 177 of the Companies Act 2013.

**“Board”** means the Board of Directors of the Company.

**“Code of Conduct”** means the code of conduct for the Board and senior management and the code of conduct / ethics policy applicable to all employees of the organization.

**“Director”** means a director appointed to the Board of the Company.

**“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.

**“Employee”** means every direct or indirect employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.

**“Information or Protected Disclosure”** means a concern raised by Director(s) or an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an activity covered under the definition of Alleged Wrongful Conduct under the scope of the Policy with respect to the Company. However, the Protected Disclosures 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.

**“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.

**“Vigilance Officer”** means Chairman of the Audit Committee.

**“Whistle Blower”** means an Employee, or Director, contractors, consultants, trainees, service providers, vendors, consumers or any other person who directly deals with the Company in a transaction, monetary or otherwise, making a Protected Disclosure.

**“Whistle Blower Committee (Enforcement Committee)”** means the group of members who will conduct the investigation as authorised by the Vigilance officer; or the Chairperson of the Audit Committee.

## **5. POLICY OBJECTIVES**

- a) A Whistle Blower (Vigil) Mechanism provides a channel to the Directors and the employees to report to the management, the concerns about any Alleged Wrongful Conduct. The mechanism provides for the manner of reporting, safeguards against victimization of person who use such mechanism.
- b) This Policy neither releases Directors and the employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

## **6. SCOPE OF THE POLICY**

- a) This Policy covers any Alleged Wrongful Conduct and other matters or activity on account of which the interest of the Company is affected and is formally reported by Whistle Blower(s).
- b) The Whistle Blower’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.
- c) Whistle Blowers 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 Vigilance Officer.
- d) Protected Disclosure will be appropriately dealt with by the Vigilance Officer/Chairman of the Company, as the case may be.
- e) The whistle blowing that are in the nature of customer grievances would be dealt in the manners similar to handling customer grievances and would not be subjected to the requirements of this Whistle Blowing Policy

## **7. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES**

1. Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same 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 in Hindi.

The Protected Disclosure shall be submitted in a closed and secured envelope. The envelope shall be super scribed as “PROTECTED DISCLOSURE UNDER THE WHISTLE BLOWER POLICY”, and the envelope shall be submitted to the ‘CHIEF FINANCIAL

OFFICER/COMPANY SECRETARY' of the Company. The envelope shall be addressed to:

- The Chairperson of the Company - in case the Protected Disclosure is against the Chairperson of the Audit Committee;
- The Chairperson of the Audit Committee – in case the Protected Disclosure is against an employee or a director (other than the Chairperson of the Audit Committee)

The Protected Disclosure may also be sent through an e-mail. The email shall be addressed to:

- a) the Chairperson of the Company at [shilpa.pophale@efl.co.in](mailto:shilpa.pophale@efl.co.in) in case the Protected Disclosure is against the Chairman of the Audit Committee;
  - b) the Chairperson of the Audit Committee at [whistleblower@efl.co.in](mailto:whistleblower@efl.co.in) in case the Protected Disclosure is against an employee or a director (other than the Chairman of the Audit Committee).
2. If the Protected Disclosure is not super scribed and closed as mentioned above, it will not be possible for the Enforcement Committee /Chairperson of the Company, as the case may be, to protect the Complainant and the Protected Disclosure will be dealt with as if a normal disclosure.
- In order to protect identity of the Complainant, the Enforcement Committee /Chairperson of the Company, as the case may be, will not issue any acknowledgement to the Complainant and the Complainant(s) are advised neither to write their name / address on the envelope nor to enter into any further correspondence with the Vigilance Officer/Chairman of the Company. In case of any further clarification, the Vigilance Officer/ Committee/Chairman of the Company, shall get in touch with the Complainant in a manner deemed fit.
3. The Protected Disclosure should be forwarded under a covering letter signed by the Complainant. The Vigilance Officer / Chairman of the Company shall detach the covering letter bearing the identity of the Complainant and process only the Protected Disclosure.
  4. The Company encourages that Whistle Blowers disclose their name when submitting a complaint. The investigations can be more quickly and effectively completed when the Whistle Blower is identified because it allows the Company's investigators to follow up directly with the Whistle Blower.

However, it is possible that a Whistle Blower may choose to remain anonymous. In case of anonymous reporting, the Vigilance Officer in consultation with the MD or the Chairman of the Company, shall take a decision whether there is sufficient evidence to merit further inquiry. Complaints that are ambiguous, unclear, provide inadequate information or which unfairly accuse the employee complained against will not be investigated further.

Anonymous complaints will be considered only if they offer clinching evidence against the wrongdoing. Also, there will be no deliberate efforts taken to identify the Whistle Blower through forensic investigations, except in cases where the accusations are very serious, and the Vigilance Officer/ Chairman of the Company in consultation with the Audit Committee feels, it is necessary to track and identify the anonymous Whistle Blower.

## **False complaints**

While this Policy is intended to protect genuine Whistleblowers from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with mala fide intentions is strictly prohibited.

Personnel who makes complaints with mala fide intentions and which are subsequently found to be false will be subject to strict disciplinary action.

## **Manner in which concern can be raised**

The Protected Disclosure must include as much information about the suspected violation or reported incident and should be made in a format prescribed

To the extent possible, the Complaint or Protected Disclosure must include the following:

1. The name/details of employee, and /or outside party or parties involved;
2. The sector of the Company where it happened (division, office);
3. When did it happen: a date or a period of time;
4. Type of concern (what happened); a) Financial reporting; b) Legal matter; c) Management action; d) Employee misconduct; and/or e) Health & safety and environmental issues etc.
5. Submit proof or identify where proof can be found, if possible;
6. Who to contact for more information, if possible; and/or
7. Prior efforts to address the problem, if any.

## **Enquiry Mechanism**

If initial enquiries by the Enforcement Committee indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision has to be documented.

Where initial enquiries indicate that further investigation is necessary, this would be carried out by the Enforcement Committee. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt.

The Enforcement Committee shall:

- i) Make a detailed written record of the Protected Disclosure. The record will include:
  - a) Facts of the matter;
  - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
  - c) Whether any Protected Disclosure was raised previously against the same Subject;

- d) The financial/ otherwise loss which has been incurred / would have been incurred;
- e) Findings of Enforcement Committee;
- ii) The Enforcement Committee shall finalize the report within 30 days of receiving the complaint.
- iii) In case the Protected Disclosure is proved take such Disciplinary Action as it may think fit and take preventive measures to avoid reoccurrence of the matter;
- iv) In case of matters of high concern, the Enforcement Committee may refer the matter to Audit Committee for taking such disciplinary/other actions as it may deem fit.

The detailed findings of investigation as carried out shall be recorded in writing and reported to the Audit Committee.

- v) In case the Protected Disclosure is not proved, extinguish the matter;

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, she/he can make a direct appeal to the Chairman of the Audit Committee.

### **Investigation**

1. All Protected Disclosures under this policy will be recorded and investigated. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
2. The decision to conduct an investigation itself is not an accusation and is to be treated as a neutral fact-finding process.
3. 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).
4. The Whistle Blower may also be informed of the outcome of the investigations in such form and format as considered appropriate by the Vigilance Officer/Chairman of the Company.

### **Secrecy /Confidentiality**

The Complainant, Vigilance Officer, Chairman of the Company, Members of the Committee, the Subject and everybody involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
- b. not discuss the matter 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. not keep the papers unattended anywhere at any time
- e. keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

### **Non-retaliation/Protection**

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 Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his 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. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

A Whistle Blower may report any violation of the above clause to the Vigilance Officer/Chairman of the Company, as the case may be, who shall investigate into the same and recommend suitable action to protect the interest of the Whistle Blower.

The identity of the Whistle Blower shall be kept confidential.

Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

### **Document retention**

The Company shall maintain documentation of all complaints or reports subject to this Policy. The documentation shall include any written submissions provided by the complainant, any other Company documents identified in the complaint or by the Company as relevant to the complaint, a summary of the date and manner in which the complaint was received by the Company and any response by the Company to the complainant. All such documentation shall be retained by the Company for a minimum of six (6) years from the date of receipt of the complaint.

### **Display**

The Whistle Blower Policy shall be uploaded on the Company's website and intranet along with the constitution of the Whistle Blower Committee.

### **Communication**

A Whistle blower Policy cannot be effective unless it is properly communicated to Directors and employees. They shall be informed of the same by publishing in notice board or other suitable means and also posting on the website of the Company

### **Reporting**

A report with number of complaints received under the Policy and their outcome duly signed by Chairman of Whistle Blower Committee and shall be placed before the Audit Committee and the Board.



**Amendment/Modification**

The Company may modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company.

Enforcement Committee will consist of:

- a Mr. Suhas Gore (Head - Credit)
- b. Ms. Ashwini Shivram (Head - HR)
- c. Dr. Bhooshan Kelkar (External Committee member)