

WHISTLE BLOWER POLICY OF THE COMPANY

1 OBJECTIVE

As a part of handling complaints, maintenance of Corporate Governance and towards achieving greater transparency, 'Whistle Blower Mechanism' is being put in place to enable our employees to report unethical practices, frauds, if they observe in any operational area. The policy has been put in place to provide a framework to employees to act as whistle blowers. It aims to protect such whistle blowers wishing to raise a concern about any allegations of corruption or of misuse of office, that could jeopardize the interest of the Company.

2 PROCEDURE TO BE FOLLOWED BY WHISTLE BLOWERS:

- 2.1 The employees/Directors of the Company may make a written complaint to the Designated Authority (Format as per Appendix 1).
- 2.2 The complaint shall be in a closed/secured envelope and should be addressed to the Senior Executive Vice President/Executive Vice President, Registered Office, who is the **"Designated Authority"** at the following address:

The Senior Executive Vice President/Executive Vice President
Canbank Factors Ltd, 67/1, Kanakapura Road,
Bengaluru-560 004.

3 ROLES AND RESPONSIBILITIES:

3.1 Procedure for handling of complaints

- 3.1.1 The 'Designated Authority' i.e Senior Executive Vice President/Executive Vice President, shall authorize an officer not below the level of Senior Vice President / Vice President of, RO for receiving complaints.
- 3.1.2 The envelope shall be superscribed with **"Complaint under The Whistle Blower Mechanism"**. If the envelope is not superscribed as mentioned above, it will not be possible to protect the complainant under the above mechanism and the complaint will be dealt with as a normal complaint. The complainant shall give his/her name and address, telephone number, email id, in the beginning or end of the complaint or in an attached letter. The disclosure or complaint shall contain, as full particulars as possible and shall be accompanied by supporting documents or other materials.
- 3.1.3 All such envelopes will be opened by an authorized official (i.e., Senior Vice President /Vice President in RO) in presence of the designated authority ie Senior Executive Vice President/Executive Vice President.
- 3.1.4 The identity of the complainant would be confirmed by the Senior Vice President / Vice President, Registered office (Authorized personnel) so authorized by writing a letter to him/ her (complainant). Sample of the letter is as Appendix 2.

- 3.1.5 The Whistle Blower/ Complainant will be required to confirm within **30** days of receipt of letter that he had sent the complaint and also confirm/ certify that he had not made similar/ identical allegations of corruption/ misuse of office to any other authority to qualify as a "Whistle Blower" complainant. While sending such confirmation envelope should be super scribed with **"Complaint under the Whistle Blower Mechanism"**. If the envelope is not superscribed as mentioned above, it will not be possible to protect the complainant under the above mechanism and the complaint will be dealt with as a normal complaint.
- 3.1.6 After the identity is confirmed, the Senior Vice President / Vice President, Registered office (Authorized personnel) will ensure that the identity of the complainant is removed from the body of the complaint and the dummy complaint is given a number with which the original complaint can be traced back. Further action on complaint will be initiated as per Company norms.
- 3.1.7 The original complaint would be kept in a safe/almirah duly ensuring dual custody. The custody of the almirah will remain with Senior Vice President / Vice President, Registered office (Authorized personnel) and at no point of time the complaint can be accessed except by the Authorized/ Designated Authority.
- 3.1.8 The dummy complaint so made would be submitted to the 'Designated Authority' who would take the decision whether the matter requires to be looked into further and report is to be called in the matter from the respective section/branch/employee. (Separate file may be maintained for complaints under Whistle Blower Mechanism).
- 3.1.9 While considering the complaints the "Designated Authority" would take no action on complaints relating to administrative matters like recruitment, promotion, transfers and other related issues.
- 3.1.10 In such cases, where a decision has been taken to call for a report, a maximum time limit **of 2 weeks may be given to the respective section/branch/employee.** In case no reply is received within two weeks, a reminder should be sent at the level of the Authorised Person. If no reply is still received, the second reminder after 2 weeks should be sent at the level of the "Designated Authority". If no reply is still received, the "Designated Authority' may call for an explanation and recommend administrative action for deliberate delay.
- 3.1.11 On receipt of the report, the concerned Senior Vice President / Vice President of RO so authorized will put up the matter to the 'Designated Authority'. The Designated Authority may take a call on the matter and take appropriate action as per Staff Rules of the Company.
- 3.1.12 In case of serious complaints of irregularities, the Designated Authority shall order a detailed investigation into the matter and report the matter to the Audit Committee.

3.1.13 On receipt of the Investigation Report, in case of detection of fraud the same shall be scrutinized by the Committee of Executives (CoE) comprising of the following:

- Managing Director
- SEVP/EVP
- SVP/VP HR & Admin Section
- SVP/VP Credit Section

The Minimum quorum for the Committee shall be 3 members of which the presence of Managing Director and/or EVP/ SEVP is necessary. *In the absence of SEVP/EVP, the presence of Managing Director is necessary along with SVP/VP HR & Admin Section and SVP/VP Credit Section.*

Constituted as per Fraud Risk Management Policy for monitoring frauds taken place in the Company for initiating further action in the matter. In case of any other matter (other than fraud), the investigation report shall be placed to the Audit Committee.

3.1.14 Meanwhile, the "Designated Authority" shall ensure that no punitive action is taken by any concerned Administrative authority against any person on perceived reasons/suspicion of being "whistle blower".

3.1.15 The Senior Vice President / Vice President so authorized shall maintain a separate list for the complaints received under the Policy and enter the information in the computer system and monitor their progress periodically and put up the same to the 'Designated Authority every 2 weeks.

3.1.16 Wherever the complainant has alleged victimization/ harassment the 'Designated Authority' shall ensure that if the identity of the complainant somehow becomes known, he/she should not be harassed/ victimized by way of frequent transfers etc.

4 DISQUALIFICATIONS:

4.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment, any abuse of this protection will warrant appropriate action/ disciplinary action. Protection under this policy would not mean protection from disciplinary action arising out of allegations made by the Whistle Blower which are found to be false or bogus or done with a malafide intention.

4.2 Pursuant to a complaint, if the investigation reveals the involvement of the Whistle Blower himself/ herself in the act and /or irregularity, no protection including that of non-disclosure under this policy shall be available to the Whistle Blower under any circumstances and he/she shall be liable to be proceeded against as per Staff Rules of the Company, for his/her involvement in the act and / or irregularity.

5 REVIEW OF FUNCTIONING OF THE WHISTLE BLOWER MECHANISM/ REPORTING STRUCTURE/ MONITORING:

A quarterly report with the number of complaints received under this Policy by the HR & Admin along with the outcome shall be placed before the Audit Committee.

6 PUBLICATION:

The Policy will be posted on the Company's website and displayed on the Notice Board of the Branches/office.

7 ORDER OF PREVALENCE:

This shall be in supersession of all earlier Circulars, instructions issued on the subject matter.

8 OPERATION:

This policy shall be in force till such time it is repealed.

9 GENERAL PROVISIONS/ EXCEPTIONS :

- 9.1 Anonymous/ pseudonymous complaints will not be entertained.
- 9.2 The text of the complaint should be carefully drafted so as not to give any details or clue as to the identity of the whistleblower. However, the details of the complaint should be specific and verifiable.
- 9.3 The identity of the complainant will not be revealed unless the complainant himself/ herself has made the details of the complaint either public or disclosed his/ her identity to any other office or authority.
- 9.4 The Designated Authority shall not entertain or inquire into any disclosure in respect of which a formal inquiry has been ordered under **Canbank Factors Officer Employees (Conduct) Regulations (Amended)** or **Canbank Factors officer employees discipline and appeal regulations (Amended)** or any such disclosure which is subjudice or being enquired by law enforcing agencies.

10 REGULATORY PRESCRIPTION:

This Whistle Blower Policy is based on the provisions of the Companies Act and RBI Directions.

11 REVIEW and MAKING MODIFICATIONS / ISSUING CLARIFICATIONS:

As per corporate governance practice, the policy requires annual review and periodical updation. The Audit Committee shall be empowered to make any changes, issue clarification with respect to the policy in tune with the Government Guidelines/ Central Vigilance Commission Guidelines/other Regulatory guidelines issued from time to time. The Regulatory guidelines / Regulatory examination findings issued after approval of this Policy which necessitates modifications in the Policy are to be placed before the Audit Committee of the Company & placed to the Board for final approval.

CONFIDENTIAL

To,

Speed post/Registered post

Sir,

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Please refer to your complaint dated received on under "Whistle Blower Policy".

2. As per policy, a complainant is required to confirm that he/she has actually sent the said complaint to the Company. You are, therefore, requested to confirm within 30 days of receipt of this letter, that you have sent the above-mentioned complaint.

3. You are also requested to furnish a certificate to the Company as per format enclosed that you have not made similar/identical allegations of corruption/misuse of office to any other authorities to qualify as a 'Whistle Blower' complainant.

4. The reply may be addressed to the undersigned by name.

Yours faithfully.

Encl: Certificate.

CERTIFICATE

It is certified that I have not made similar/identical allegation of corruption/misuse of office to any other authorities to qualify as a Whistle Blower complainant.

Date:

Signature

Name of the Complainant

Address