

WHISTLE BLOWER POLICY

1. Preface

- 1.1 The IDFC Group believes in conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.
- 1.2 The IDFC Group is committed to developing a culture where it is safe for any Whistle Blower to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 1.3 Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter-alia, provides a non-mandatory requirement, for all listed companies to establish a “Whistle Blower Policy” for employees 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.
- 1.4 The purpose of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects the Whistle Blower wishing to raise a concern about serious irregularities within IDFC Group.
- 1.5 The Policy neither releases Whistle Blowers from their duty of confidentiality in the course of their work, nor is it to be misused to surface a grievance about a personal work-related situation.
- 1.6 This Policy will be posted on the Company’s website at www.idfc.com.

2. Applicability

- 2.1 This Policy is applicable to all Employees of the IDFC Group and other persons dealing with IDFC Group.
- 2.2 This Policy has been drawn up so that Whistle Blowers can make Protected Disclosure under the Policy. The Protected Disclosure may be areas of concern in respect of IDFC Group covered by this Policy and summarized in paragraph 5.

3. Definitions

- 3.1 “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of Reserve Bank of India’s guidelines or Section 292A of the Companies Act, 1956 or clause 49 of the Listing Agreement.
- 3.2 “**Board**” / “**Board of Directors**” means board of directors of the Company.
- 3.3 “**Code of Conduct**” means code applicable to the directors and senior management adopted by IDFC on December 20, 2005 and as amended from time to time.
- 3.4 “**Company/IDFC**” means Infrastructure Development Finance Company Limited.

- 3.5 **“Disciplinary Action”** means any action that can be taken on the completion of / during the investigation proceedings, including but not limited to, a warning, recovery of financial losses incurred by IDFC Group, suspension/dismissal from the services of the Company or any such action as is deemed to be fit considering the gravity of the matter.
- 3.6 **“Employee”** means every employee of the IDFC Group including Whole-time Directors of the Company or its subsidiaries.
- 3.7 **“IDFC Group”** means IDFC and its subsidiary companies.
- 3.8 **“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 (as described more particularly in Clause 5) with respect to IDFC Group. Protected Disclosures should be factual and not speculative or in the nature of an interpretations/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.
- 3.9 **“Subject”** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 3.10 **“Whistle Blower”** is someone who makes a Protected Disclosure under this Policy.
- 3.11 **“Whistle Committee”** means a committee consisting of Head – HR, Chief Financial Officer and Group General Counsel & Head - Legal & Compliance to conduct an investigation in the matter of Protected Disclosure received by the Company.
- 3.12 **“Whistle Officer”** means a person designated under this policy to receive Protected Disclosure(s).

The Group General Counsel & Head - Legal & Compliance shall be the Whistle Officer for the purpose of this Policy.

4. The Guiding Principles

- 4.1 The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. To ensure that this Policy is adhered to, and to assure that the concerns raised under this Policy will be acted upon seriously, the Company will:
- 4.1.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is/are not victimized for doing so;
 - 4.1.2 Treat victimization of Whistle Blower as a serious matter including initiating Disciplinary Action against person(s) causing or allowing victimization of Whistle Blower;
 - 4.1.3 Ensure complete confidentiality of identity of Whistle Blower;
 - 4.1.4 Not to attempt to conceal evidence of the Protected Disclosure;

- 4.1.5 Take Disciplinary Action for event covered under this Policy (as mentioned in Clause 5) or upon victimizing Whistle Blower or any person processing the Protected Disclosure or if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- 4.1.6 Provide an opportunity of being heard to the persons involved especially to the Subject.

5. Coverage of Policy

- 5.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - 1. Abuse of authority
 - 2. Breach of Code of Conduct or employment contract
 - 3. Manipulation of company data/records
 - 4. Financial or compliance irregularities, including fraud, or suspected fraud
 - 5. Criminal offence having repercussions on the company or its reputation .
 - 6. Pilferation of confidential/proprietary information
 - 7. Deliberate violation of law/regulation
 - 8. Misappropriation or misuse of Company funds/assets
 - 9. Breach of employee Code of Conduct or Rules
 - 10. Any other unethical, imprudent deed/behaviour
- 5.2 Policy should not be used as a route for raising malicious or unfounded allegations against colleagues.

6. Protection

- 6.1 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 Committee would be authorised to take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- 6.2 The identity of the Whistle Blower shall be kept confidential and shall be disclosed only on need to know basis.
- 6.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.
- 6.5 Protection to Whistle Blower under this Policy shall be available provided that Protected Disclosure is:
 - 6.5.1 made in good faith;
 - 6.5.2 the Whistle Blower has reasonable information or documents in support thereof; and
 - 6.5.3 not for personal gain or animosity against the Subject.
- 6.6 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious* shall be liable to Disciplinary Action as may decided by the Committee constituted under this Policy.

7. Protected Disclosure

- 7.1 All Protected Disclosures should be addressed to Group General Counsel & Head - Legal & Compliance of the Company. The contact details are as under:

Group General Counsel & Head - Legal & Compliance

Infrastructure Development Finance Company Limited

Naman Chambers, C-32, G-Block,

Bandra-Kurla Complex, Bandra (East),

Mumbai 400 051, India

E-mail: WHISTLE.BLOWER@IDFC.COM

Protected Disclosure against the Group General Counsel & Head - Legal & Compliance should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman of the Audit Committee are as under:

Mr. S. H. Khan

17, Vaswani Mansion

3rd Floor,

Dinshaw Vachha Road,

Churchgate,

Mumbai – 400 020

Email: khan_sh2004@yahoo.co.in

- 7.2 Protected Disclosures should 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 in Hindi.
- 7.3 The Protected Disclosure may be forwarded by email or by way of a covering letter which shall bear the identity of the Whistle Blower. Anonymous disclosures may not be entertained.

8. Investigation

- 8.1 On receipt of Protected Disclosure, the Group General Counsel & Head - Legal & Compliance shall expeditiously forward a copy of the same to other Whistle Committee members (“Committee”). The Committee shall appropriately and expeditiously investigate all whistle blower reports received. In this regard, the Committee may perform all such acts as it may deem fit at its sole discretion, including, the following functions:

- a) to obtain legal or expert view in relation to Protected Disclosure;
- b) appoint external agency to assist in investigation;
- c) seek assistance of Internal Auditor;
- d) request any officer(s) of the company to provide adequate financial or other resources for carrying out investigation
- e) seek explanation or solicit Subject’s submission on Protected Disclosure or give reasonable opportunity to respond to Subject on material findings contained in investigation report.

- f) to call for any information /document and explanation from any employee of the Company or other person(s) as they may deem appropriate for the purpose of conducting investigation.

The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure.

- 8.2 The Committee shall have right to outline a detailed procedure for an investigation and may delegate such powers and authorities, as it may deem fit to any officer of the Company for carrying out any investigation.
- 8.3 The Subject shall have a duty to co-operate with the investigator and responsibility not to interfere or obstruct with the investigation process.
- 8.4 A report shall be prepared after completion of investigation by the Officer(s) investigating the matter which shall be submitted to the Committee. Upon receipt of report, the Committee shall submit the same along with recommendations to the Managing Director for Disciplinary Action after providing reasonable opportunity of being heard to the Subject.
- 8.5 After considering the report and recommendations as aforesaid, the Managing Director shall determine and finalise the Disciplinary Action as he may deem fit.
- 8.6 In case the Subject is the Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure and, if deemed fit, shall forward the Protected Disclosure to other members of the Audit Committee.
 - 8.6.1 The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure. In this regard, the Audit Committee, if the circumstances so suggest, may assign the investigation into the matter to the Senior Officer or a committee of managerial personnel.
 - 8.6.2 Upon completion of investigation by the Audit Committee or receipt of report from the Senior Officer or a committee of managerial personnel, the Audit Committee shall submit the same along with its recommendations to the Board for Disciplinary Action after providing reasonable opportunity of being heard to the Subject.
 - 8.6.3 After considering the report and recommendations as aforesaid, the Board of Director shall determine and finalise the Disciplinary Action as it may deem fit .

9. Secrecy/Confidentiality

The Whistle Blower, the Subject, the Senior Officer(s) and every one involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter under this Policy
- b. not discuss the matters under this Policy 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 as directed by Audit Committee
- d. not keep the papers unattended anywhere at any time
- e. keep the electronic mails/files under password

If any one is found not complying with the above, he/ she shall be held liable for such Disciplinary Action as is considered fit by the Committee or the Managing Director or the Audit Committee, as the case may be.

10. Reporting

The Committee shall submit a report to the Audit Committee on all the Protected Disclosures, together with results of investigations, Disciplinary Actions recommended and implemented.

11. Retention of Documents

All Protected Disclosures, documented along with the results of Investigation relating thereto, shall be retained by the Group General Counsel & Head - Legal & Compliance for a minimum period of 5 (five) years or as mentioned in applicable law, if any.

12. Amendment

This Policy may be amended from time to time by the Board on the recommendation of the Audit Committee.