



IDFC FIRST Bank Limited

Whistle Blower Policy

Version : **1.6**

Approval Date : **October 24, 2019**

Status:

Revision History			
Version	Revision Date	Revised by	Revision Description
1.0	25-08-2015	-	Adoption of Policy
1.1	26-07-2016	Policy Owner	Annual Review of the Policy
1.2	27-07-2017	Policy Owner	Annual Review of the Policy
1.3	30-07-2018	Policy Owner	Annual Review of the Policy
1.4	08-01-2019	Policy Owner	Review of the Policy
1.5	05-02-2019	Policy Owner	Change in Constitution of Committee
1.6	24-10-2019	Policy Owner	Amendment pursuant to Regulatory requirements

Whistle Blower Policy

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WHISTLE BLOWER POLICY

1. Preface

IDFC FIRST Bank Limited (also referred to as the “**Bank**”) 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. Bank is also committed to developing a culture where it is safe for any Whistle Blower to raise concerns about any illegal or unethical practice and any event of misconduct.

The purpose of the Whistle Blower policy (**‘Policy’**) is to provide a framework to promote responsible and secure whistle blowing with a view to establish a vigil mechanism whereby all the stakeholders, directors and employees, are encouraged to report illegal, unethical or improper activities through established channels, enabling an ethical and corruption free work environment and at the same time safeguarding stakeholders, directors and employees against victimization.

This Policy is intended to protect the Whistle Blower wishing reporting a concern about serious irregularities within IDFC FIRST Bank. The Policy neither releases Whistle Blowers from their duty of confidentiality in the ordinary course of their work, nor is it to be misused to surface a grievance about a personal work-related situation.

This policy will be posted on the Bank’s website at www.idfcfirstbank.com

2. Regulatory Guidelines

The Policy is formulated primarily in compliance with the following directions:

1. Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, mandated the establishment of vigil mechanism for all the listed companies, as part of the whistle blower policy, for the Directors and Employees of such companies to report concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy. It also provides that a whistle blower mechanism be provided by such company enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.
2. RBI Guidelines no RBI/2006-2007/328 DO DBS.FrMC.No.BC.5/23.02.011/2006-07 dated April 18, 2007 on Introduction of 'Protected Disclosures Scheme for Private Sector and Foreign Banks'. The Protected Disclosure scheme of RBI has been provided (*ad verbatim*) in **Annexure A** of this Policy.

3. Applicability	<p>This Policy is applicable to all Directors and Employees of the IDFC FIRST Bank.</p> <p>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 FIRST Bank covered by this policy and summarized in Point 5</p>
4. Key Definitions	<p>The various aspects which would fall under the ambit of the key definition of whistle blower policy would inter-alia include the following:</p> <ol style="list-style-type: none"> 1. “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 Point 5) with respect to IDFC FIRST Bank. 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 and the urgency of a preliminary investigative procedure. 2. “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. “Whistle Blower” is someone who makes a Protected Disclosure under this Policy. 4. “Whistle Committee” means a committee consisting of CVO, CHRO, Head Legal & CFO. CRO, Head – Technology, Operations etc. will be invited to the committee as per the requirement. The quorum will be 3-members. The committee will conduct an investigation in the matter of Protected Disclosure received by the Bank. 5. “Whistle Officer” means a person designated under this policy to receive Protected Disclosure(s). The CVO of the Bank shall be the Whistle Officer for the purpose of this Policy. <p>For other definitions Refer Annexure B of the Policy.</p>
5. Coverage	<p>The Policy covers malpractices and events which have taken place/ suspected to take place involving the following:</p> <ol style="list-style-type: none"> 1. Abuse of authority 2. Breach of Code of Conduct or Ethics Policy or employment contract 3. Manipulation of Banks data/records

4. Financial or compliance irregularities, including fraud, or suspected fraud
5. Criminal offence, corruption, misuse of office having repercussions on the Banks or its reputation
6. Pilferage of confidential/proprietary information
7. Inadvertent disclosure or leakage of Unpublished Price Sensitive Information ('UPSI')
8. Instances of insider trading or market manipulation
9. Deliberate violation of law/regulation
10. Misappropriation or misuse of Bank funds/assets
11. Breach of employee Code of Conduct or Rules
12. Any other illegal, unethical, imprudent deed/behaviour or actual or suspected fraud

Policy should not be used as a route for raising malicious or unfounded allegations against colleagues.

6. The Guiding Principles

The Bank, 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 Bank will:

1. Authorise the Committee to take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
2. Keep the identity of the Whistle Blower confidential and shall be disclosed only on need to know basis.
3. Ensure 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.
4. Provide Protection to Whistle Blower under this Policy provided that Protected Disclosure is:
 - made in good faith;
 - the Whistle Blower has reasonable information or documents in support thereof; and
 - not for personal gain or animosity against the Subject.
5. Ensure that the Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious be liable to Disciplinary Action as may decided by the Committee constituted under this Policy.

6. Provide an opportunity of being heard to the persons involved especially to the Subject.
7. Treat victimization of Whistle Blower as a serious matter including initiating Disciplinary Action against person(s) causing or allowing victimization of Whistle Blower.
8. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is/are not victimized for doing so.
9. 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.
10. Ensure that any other Director/ Employee assisting in the said investigation or furnishing evidence is also be protected to the same extent as the Whistle Blower.

The cases covered under the RBI Guidelines no RBI/2006-2007/328 DO DBS.FrMC.No.BC.5/23.02.011/2006-07 dated April 18, 2007 on Introduction of 'Protected Disclosures Scheme for Private Sector and Foreign Banks' will also be dealt in accordance with this policy.

7. Protected Disclosure

1. All Protected Disclosures should be addressed to Whistle Officer of the Bank. The contact details are as under:

*Whistle Officer
IDFC FIRST Bank Limited
Naman Chambers, C-32, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051, India
E-mail: whistle.blower@idfcfirstbank.com*

Protected Disclosure against the Whistle Officer and in exceptional and appropriate cases can directly be addressed to the Chairman of the Audit Committee. The contact details of the Chairman of the Audit Committee are as under:

*Chairman of the Audit Committee
IDFC FIRST Bank Limited*

*Naman Chambers, C-32, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051, India
Email: infowb@idfcfirstbank.com*

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.
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 will not be entertained.

8. Investigation

1. On receipt of Protected Disclosure, the CVO of the Bank shall expeditiously consult one of the Committee members (at least) and appropriately investigate all whistle blower complaints received. In this regard, they may perform all such acts as it may deem fit at its sole discretion, including, the following functions:
 - to obtain legal or expert view in relation to Protected Disclosure;
 - appoint external agency to assist in investigation;
 - seek assistance of Internal Auditor;
 - request any officer(s) of the Bank to provide adequate financial or other resources for carrying out investigation
 - 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.
 - to call for any information /document and explanation from any director/ employee of the Bank 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.
2. They 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 Bank for carrying out any investigation.
3. The Subject shall have a duty to co-operate with the investigator and responsibility not to interfere or obstruct with the investigation process.
4. A report shall be prepared after completion of investigation by the Officer(s), internal or external 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 Audit Committee for Disciplinary Action (if allegations are found to be valid) after providing reasonable opportunity of being heard to the Subject.

5. After considering the report and recommendations as aforesaid, the Audit Committee shall determine and finalise the Disciplinary Action as it may deem fit.
6. In case the Subject is the Managing Director of the Bank, 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.
 - 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 or appoint an external agency.
 - Upon completion of investigation by the Audit Committee or receipt of report from the managerial personnel or a committee of managerial personnel, or external agency, the Audit Committee shall submit the same along with its recommendations to the Board for Disciplinary Action (if allegations are found to be valid) after providing reasonable opportunity of being heard to the Subject.
 - After considering the report and recommendations as aforesaid, the Board of Director shall determine and finalise the Disciplinary Action as it may deem fit.
7. In case of repeated frivolous complaints being filed by a director or an employee, the Audit Committee may recommend suitable Disciplinary Action against the concerned director or employee including reprimand.

9. Principles of Disclosures relating to UPSI

[Pursuant to SEBI (Prohibition of Insider Trading Regulations, 2015 (as amended from time to time)]

Any inadvertent disclosure, breach of cyber-security, intrusion, or leakage of information which consists of UPSI or when read in conjunction with other information in the public domain, i.e. generally available information, may lead to price sensitive inferences which could tantamount to UPSI, should be reported and shall be deemed to be a Protected Disclosure under this Policy

Whistle Blowers should disclose an inadvertent disclosure or leakage of UPSI even if after the leakage or inadvertent disclosure, the UPSI has been disclosed to the public.

	<p>To the extent possible, the Whistle Blower should disclose (i) the date of inadvertent disclosure or leakage, along with a description of how the inadvertent disclosure occurred, and (ii) provide details of the information leaked along with a description of specific data which was compromised by the inadvertent disclosure or incident.</p>
<p>10. Disclosures relating to insider trading or market manipulation</p> <p>[Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time)]</p>	<p>Besides reporting any instances which involve a leakage or inadvertent disclosure of price sensitive information, any instances of dealing in securities whilst in possession of UPSI relating to those securities, (whether such securities relate to the Bank or of any other company) could be reported under this Policy and shall be deemed to be a Protected Disclosure.</p> <p>Additionally, any manipulation of Banks data/records, intentionally publishing misleading information on digital media, front running by non-intermediaries, mis-selling of securities and services related to securities, mis-utilisation of client account and diversion of client funds, manipulating bench-mark price of securities, dealing in securities whilst in possession of UPSI or with an intent to manipulate price and volume of any securities, could be reported under this Policy and shall be deemed to be a Protected Disclosure.</p>
<p>11. Disclosures & Reporting to SEBI</p> <p><i>[Pursuant to SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019]</i></p>	<p>Nothing in this the Policy shall be construed as limiting in any manner, the right of a Whistle Blower to make reportings to SEBI and such reportings may be made in addition to, and not in substitution of any reportings made to the Bank.</p> <p>Nothing contained herein, or in this Policy shall in any manner hinder or limit the ability of any of its employees from (i) testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.</p>
<p>12. Secrecy/Confidentiality</p>	<p>The Whistle Blower, the Subject, the managerial personnel (s) and everyone involved in the process shall:</p> <ol style="list-style-type: none"> 1. maintain complete confidentiality/ secrecy of the matter under this Policy 2. not discuss the matters under this Policy in any informal/social gatherings/ meetings

	<ol style="list-style-type: none"> 3. discuss only to the extent or with the persons required for the purpose of completing the process and investigations as directed by Audit Committee 4. not keep the papers unattended anywhere at any time 5. keep the electronic mails/files under password <p>If anyone is found not complying with the above, he/ she shall be held liable for such Disciplinary Action as is considered fit by the Audit Committee.</p>
13. 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
14. Record Retention	All Protected Disclosures, documented along with the results of Investigation relating thereto, shall be retained by the CVO of the Bank for a minimum period of 5 (five) years or as mentioned in applicable law, if any.
15. Amendment	This Policy may be amended from time to time by the Board on the recommendation of the Audit Committee.
16. Owner of the Policy	Vigilance Department of the Bank.

RBI Guidelines on Introduction of 'Protected Disclosures Scheme for Private Sector and Foreign Banks', dated April 18, 2007

1. Introduction

- a) Disclosure of information in the public interest by the employees of an organisation is increasingly gaining acceptance by public bodies for ensuring better governance standards and probity / transparency in the conduct of affairs of public institutions. Large scale corporate frauds had necessitated, internationally, various legislative measures for safeguarding public interest, through enactments such as Whistle blower Protection Act in USA and Public Interest Disclosure Act in UK. In the Indian context, the Government of India had passed a resolution on April 21, 2004 authorizing the Central Vigilance Commission (CVC) as the 'Designated Agency' to receive written complaints or disclosure on any allegation of corruption or of misuse of office and recommend appropriate action. The jurisdiction of the CVC in this regard is restricted to employees of the Central Government or of any corporation established by it or under any Central Act, Government companies, societies or local authorities owned or controlled by the Central Government.
- b) As a proactive measure for strengthening financial stability and with a view to enhancing public confidence in the robustness of the financial sector, RBI has formulated a scheme called "Protected Disclosures Scheme for Private Sector and Foreign Banks". The salient features of the Scheme are as under:

2. Scope and Coverage

- a) As Public Sector Banks and Reserve Bank of India (since it is an entity established under Central Statute) have already been brought under the purview of Government of India scheme, with a view to avoid duplication, this Scheme would cover all private sector and foreign banks operating in India.
- b) The complaints under the Scheme would cover the areas such as corruption, misuse of office, criminal offences, suspected / actual fraud, failure to comply with existing rules and regulations such as Reserve Bank of India Act, 1934, Banking Regulation Act 1949, etc. and acts resulting in financial loss /operational risk, loss of reputation, etc. detrimental to depositors' interest / public interest.
- c) Under the Scheme, employees of the bank concerned (private sector and foreign banks operating in India), customers, stake holders, NGOs and members of public can lodge complaints.
- d) Anonymous / pseudonymous complaints will not be covered under the Scheme and such complaints will not be entertained.
- e) Reserve Bank of India (RBI) will be the Nodal Agency to receive complaints under the Scheme. RBI would keep the identity of the complainant secret, except in cases where complaint turns out to be vexatious or frivolous and action has to be initiated against the complainant as mentioned at Para (f) below.
- f) The institution against which complaint has been made can take action against complainants in cases where motivated / vexatious complaints are made under the Scheme, after being advised by RBI. An

opportunity of hearing will, however, be given by the concerned bank to the complainant before taking such action.

- g) Final action taken by RBI on the complaint will be intimated to the complainant.

3. Procedure for lodging the complaint under the Scheme

- a) The complaint should be sent in a closed / secured envelope.
- b) The envelope should be addressed to The Chief General Manager, Reserve Bank of India, Department of Banking Supervision, Fraud Monitoring Cell, Third Floor, World Trade Centre, Centre 1, Cuffe Parade, Mumbai 400 005. The envelope should be superscribed "Complaint under Protected Disclosures Scheme for Banks".
- c) The complainant should give his / her name and address in the beginning or end of the complaint or in an attached letter. In case of an employee making such complaint, details such as name, designation, department, institution and place of posting etc. should be furnished.
- d) Complaints can be made through e-mail also giving full details as specified above. For this purpose, a specific e-mail id has been created.
- e) The complainant should ensure that the issue raised by him involves dishonest intention/moral angle. He should study all the relevant facts and understand their significance. He should also make an effort, if possible, to resolve the issue through internal channels in order to avoid making the complaint.
- f) The text of the complaint should be carefully drafted so as not to give any details or clue to complainant's identity. The details of the complaint should be specific and verifiable.
- g) In order to protect the identity of the complainant, RBI will not issue any acknowledgement of receipt of the complaint and the complainants are advised not to enter into any further correspondence with the RBI in their own interest.

RBI assures that, subject to the facts of the case being verifiable, it would take necessary action, as provided under the scheme. If any further clarification is required, RBI will get in touch with the complainant.

- h) If the complaint is accompanied by particulars of the person making the complaint, the RBI shall take the following steps:
- If necessary, it would ascertain from the complainant whether he was the person who made the complaint or not.
 - The identity of the complainant will not be revealed unless the complainant himself has made the details of the complaint either public or disclosed his identity to any other authority.
 - If the identity of the complainant is concealed, RBI shall make discreet inquiries to ascertain if there is any basis for proceeding further with the complaint.
 - Either as a result of the discreet enquiry, or on the basis of complaint itself without any inquiry, if RBI is of the opinion that the matter requires to be investigated further, RBI may consider calling for the comments / response from the Chairman / Chief Executive Officer of the concerned bank.
 - After obtaining the response of the concerned bank and / or on the basis of an independent scrutiny conducted / ordered by RBI, if RBI is of the opinion that the allegations are substantiated,

the RBI shall recommend appropriate action to the concerned bank. These shall, inter alia, include the following :

- Appropriate action to be initiated against the concerned official.
 - Appropriate administrative steps for recovery of the loss caused to the bank as a result of the corrupt act or mis-use of office, or any other offence covered by the Scheme.
 - Recommend to the appropriate authority / agency for initiation of criminal proceedings, if warranted by the facts and circumstances of the cases.
 - Recommend taking corrective measures to prevent recurrence of such events in future.
 - Consider initiating any other action that it deems fit keeping in view the facts of the case.
- i) If any person is aggrieved by any action on the ground that he is victimized due to filing of the complaint or disclosure, he may file an application before the RBI seeking redressal in the matter. RBI shall take such action, as deemed fit. In case the complainant is an employee of the bank, RBI may give suitable directions to the concerned bank, preventing initiation of any adverse personnel action against the complainant.
- j) Either on the basis of application of the complainant or on the basis of information gathered, if the RBI is of the opinion that either the complainant or the witnesses in the case need protection, the RBI shall issue appropriate directions to the concerned bank.
- k) The system evolved herein shall be in addition to the existing grievances redressal mechanism in place. However, secrecy of identity shall be observed, only if the complaint is received under the scheme.
- l) In case RBI finds that the complaint is motivated or vexatious, RBI shall be at liberty to take appropriate steps.
- m) In the event of the identity of the informant being disclosed inspite of RBI's directions to the contrary, the RBI shall be authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. RBI may also direct such person or agency to suitably compensate the complainant.

4. Framing of protected disclosure policy by banks

All private sector and foreign banks operating in India may frame a 'Protected Disclosures Scheme' duly approved by their respective Boards of Directors, keeping in view the broad framework given above. The policy should clearly lay down norms for protection of identity of employees making disclosures under the scheme and safeguarding them from any adverse personnel action. The role and responsibilities of the Board of Directors may also be well defined in dealing with the complaints received under the scheme. The Board or a committee of Directors of the Board may be made responsible for monitoring the implementation of the scheme. Banks may factor suggestions of the unions / associations of officers / employees before framing such a policy. Suitable mechanism should be put in place to make newly recruited employees of the bank aware of the existence of such a scheme in the bank.

Other Definitions:

1. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Bank in accordance with the provisions of Reserve Bank of India’s guidelines or Section 177 of the Companies Act, 2013 or clause 49 of the Listing Agreement as amended from time to time.
2. **“Directors”/ “Board” / “Board of Directors”** means Board of Directors of IDFC FIRST Bank (“the **Bank**”).
3. **“Bank / IDFC”** means IDFC FIRST Bank Limited.
4. **“Code of Conduct”** means code applicable to the directors and senior management adopted on August 25, 2015 and as amended from time to time.
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 FIRST Bank, suspension/dismissal from the services of the Bank or any such action as is deemed to be fit considering the gravity of the matter.
6. **“Employee”** means every employee of the IDFC FIRST Bank including Whole-time Directors of the Bank or its subsidiaries.
7. **“Informant”** means an individual(s) who may be a director, partner, regular or contractual employee of the Bank, who voluntarily submits to the SEBI a ‘Voluntary Information Disclosure Form’ in the manner and form prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward;
8. **“SEBI”** shall mean the Securities and Exchange Board of India
9. **“Unpublished Price Sensitive Information”** means and includes, without limitation, any information relating to the Bank or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) changes in key managerial personnel.
 - (v) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;

10. “**Voluntary Information Disclosure Form**” shall mean the form submitted by an Informant to the to the Office of Informant Protection of SEBI in the form and manner prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019
