

## **POLICY ON VIGIL MECHANISM**

### **1. VIGIL MECHANISM**

1.1 Whistle Blowing is the disclosure by Directors and employees about illegal, immoral or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action. While the reporting of sensitive issues may be part of the individual's role within the organization (e.g., internal auditors, inspectors), when the individual finds it necessary to reveal such findings to organizational members outside the normal chain of command, it is also considered whistle-blowing through internal channels. Whistle blowing also encompasses situations where individuals go out of the organizational hierarchy and make information available to public or other external authorities to get a positive action.

1.2 In banking business, Whistle Blowing pertains to reporting matters of any serious violation of norms/regulatory guidelines, gratification, gross misrepresentation or gross deviation from the laid down procedures. Such matters may also include attempts at concealment or erasing evidences/trails of wrong doing, adoption of procedures to circumvent the rules thereby giving a legitimacy to the otherwise wrong practices, abetting or adopting coercion for putting through such ill conceived transaction, etc. All of these actions that are done with intent of deriving direct or indirect benefit both in monetary and non-monetary measures.

1.3 In terms of Section 177(9) and (10) of the Companies Act, 2013, every listed company shall establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed and provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Further, the audit committee shall oversee the vigil mechanism. The details of establishment of such mechanism shall be disclosed by the company on its website, if any and in the Board's report. In accordance with the provisions, Bank has laid down the following provisions to establish the Vigil Mechanism in the Bank.

## **2. RAISING A CONCERN**

2.1 Any director or employee who has a reasonable belief that there is a serious malpractice, may raise a concern in prescribed procedure, relating to fellow employee(s), immediate superior/subordinate or senior management employee (s) of the Bank. Concerns must be raised without malice but in good faith, without negligence and the director or employee must reasonably believe that the information disclosed and any allegations contained in it are substantially true.

## **3. WHISTLE BLOWING/ VIGIL MECHANISM**

3.1 Directors and employees who observe/ witness an unethical or improper practice (not necessarily a violation of law) or any other genuine concern shall approach the Designated Official/CVC, as the case may be or the Audit Committee of the Board (ACB) without necessarily informing their supervisors.

3.2 The nature of complaint/ concerns should be any unethical or improper practice or violations of the Staff Rules or Code of Conduct and Ethics, which is related to business matters, instances of leak of unpublished price sensitive information or any other genuine concerns relating to IDBI Bank. Matters relating to inter-personal, sexual harassment at work place, personal misconduct, grievances relating to transfers, promotions etc., would be addressed by the appropriate mechanisms already in place in the Bank. This mechanism should not be misused for personal benefits/pecuniary gains. Hence any such matter referred through whistle blowing mechanism would not be taken cognizance of.

3.3 Whistle Blowers may send such concerns/complaints to the bank through a separate email login facility created on the Bank's intranet site. Verbal communication will not be entertained and should be avoided. In case a Director wishes to report a genuine concern to the Bank, he may do so by way of a written communication to the Chairman of ACB.

3.4 The information by the whistle blower should be sent by disclosing his/her identity and not anonymously.

3.5 Anonymous/Pseudonymous complaints shall not be taken cognizance of, as a matter of principle and will be appropriately dealt with.

3.6 Only an authorized person shall receive/access mail of the whistle blower. The designated department would be Internal Audit Department and the designated official would be the Chief General Manager, In-charge of Internal Audit Department.

3.7 The Designated Official shall keep utmost secrecy of the complaint/concern received and should not divulge the same in public and also the name of the employee to be kept confidential.

3.8 The Designated Official on receipt of the mail/complaint from a whistle blower will do the initial scrutiny and decide on the future course of action including the need for a full-scale investigation within a fortnight from the receipt of the mail/ complaint. The Designated Official will notify the whistle blower and acknowledge receipt of the reported violation or suspected violation within 15 working days from the receipt of the mail/information.

3.9 All complaints/concerns received from the whistle blower shall be promptly investigated and appropriate action, wherever required, would be taken as per the mechanism enumerated at para 3.13. In respect of complaints received from a director, the action will be taken as per the direction / consent of the Chairman of the Audit Committee of the Board (ACB).

3.10 The Designated official will discuss the investigation report with the concerned Vertical/Departmental Head to which the complaint refers. If the concerned Vertical/Departmental Head has been indicted, then discreet enquiry can be preceded by the Designated Official by nominating any other official conversant with the functions of the Department/Function against which the complaint has been referred.

3.11 The Designated Official shall have the powers to appoint a team of investigating official(s) to conduct a full-fledged investigation and submit a report on the complaint received.

3.12 The Investigating Official(s) shall submit the report to the Designated Official within a period of 21 days from the date of their appointment as the Investigating

Official(s). Extension of time, if any, by the Designated Official may be decided depending on the complexity of the case and on a case-to-case basis suitable extension may be granted, but such extension of time should not be more than further 15 days.

3.13 On receipt of the investigation report, in consultation with the concerned vertical head, the Designated Official shall indicate the course of action. If the Designated Official perceives substance in the allegations leveled by the whistle blower, the Designated Official shall forward the complaint, without disclosing the name of whistle blower, to the concerned Zonal Head in case of RBG or Vertical/Department Head, as the case may be, for taking necessary action. Thereafter, the concerned Zonal Head/Vertical/Department Head shall examine the matter and place before the appropriate Staff Accountability Committee for determination of staff accountability. Upon determination of staff accountability as also discernibility of vigilance angle or otherwise against the employees held accountable, the matter shall be referred to HRD / RBG Zone concerned, for further course of action. Disciplinary action shall be initiated against the employees held accountable as per the procedure laid down under the appropriate IDBI Officers (Disciplinary & Appeal) Rules, 2006/ or IDBI Staff (Rules), 2004. The name of the Whistle Blower shall not be cited as witness in such proceedings, in the capacity of Whistle Blower.

3.14 In case of the concern received from a director; the Designated Official shall take action as per the direction of the Chairman of ACB. In case of any disciplinary action perceived by the Chairman of ACB, the Designated Official shall take further course of action as enumerated above at para 3.13.

3.15 The vigil mechanism including the progress on action taken on all complaints received from whistle blower (including that of Director) shall be monitored by the ACB. Accordingly, the Designated Official shall submit the list of all concern/complaints of whistle blowers to the ACB along with action taken thereon on quarterly basis.

3.16 All the papers and documents relating to the Whistle blowing will be kept for a minimum period of 6 months or till the completion of the final speaking order, if any to be issued by the Competent Authority.

3.17 The Bank shall endeavor to take necessary steps to protect the identity of the whistle blower and shall provide for adequate safeguards against victimization of Directors and employees who avail of the vigil mechanism. In exceptional cases, Bank may also provide for direct access to the Chairman of ACB, if deemed necessary.

3.18 If there is a prima facie case and it has been determined that a member of the staff has suffered adverse treatment, harassment or victimization as a result of his or her act of whistle blowing under the Policy, a further investigation shall be undertaken under the direction of ACB, which can appoint an official from the Bank to conduct the investigation and action would be taken against the perpetrator in accordance with the relevant procedures as laid down at para 3.13.

#### **4. FRIVOLOUS COMPLAINTS**

In case of repeated frivolous complaints being filed by a director or an employee, the ACB may take suitable action against the concerned director or employee including issue of a reprimand.

#### **5. WHISTLE BLOWER-APPROACHING EXTERNAL AUTHORITIES**

Whistle Blower can also approach the Central Vigilance Commission (CVC) for complaints for disclosure on any allegation of corruption or misuse of office by following the procedure laid down by CVC in this regard.

#### **6. VALIDITY**

The Policy on Vigil Mechanism would be reviewed every two years by Human Resources Department for any modifications/improvements etc., in the light of experience gained/statutory requirements. However, the Bank reserves the right to review/modify/amend the Policy on Vigil Mechanism, whenever deemed necessary.

**7. INTERPRETATION**

In the event of any doubt in interpretation in any of the provisions/applicability with regard to the Policy on Vigil Mechanism, the Bank reserves the right and the decision of the Bank will be final and binding.

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