

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Latest Review/ Amendment Date

Date	Review/ Amendments	Reviewed/ Amendment Approved By
09.08.2024	Amendment	Board of Directors

WHISTLE BLOWER POLICY /VIGIL MECHANISM

{Pursuant to provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Obligations and Disclosure Requirements) Regulations, 2015}

Preface

- a) Paisalo Digital Limited (PDL) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with the Company's Code of Ethics & Business Conduct. PDL 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 or violation of law in force. Any actual or potential violation of this Code would be a matter of serious concern for the Company. Employees have a role and responsibility in pointing out such violations.
- b) Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the law.:
- Every listed company;
 - Every other company which accepts deposits from the public;
 - Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.
- c) In terms of the provisions of the Companies Act, 2013 read with rules framed thereunder ("Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") listed companies are required to establish a Whistle Blower/vigil mechanism for employees, and directors of the Company to report genuine concerns to the management regarding instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

Also as required under the Scale Based Regulation (SBR)-A Revised Regulatory Framework for NBFCs, notified by Reserve Bank Of India and applicable to all Non-Banking Financial Companies in the middle and upper layers (NBFC-ML/ UL), Paisalo Digital Limited (PDL) shall establish a Whistle Blower Mechanism / Vigil Mechanism for its Directors and employees including part time & temporary employees and to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. Such a vigil mechanism shall provide adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases.

- d) Accordingly, this Whistle Blower Policy/Vigil Mechanism (the Policy) has been formulated and amended with a view to provide a mechanism for Directors and Employees of the Company to raise concerns on any violations of legal or regulatory requirements, unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, incorrect or misrepresentation of any financial statements and report etc.

Scope

Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These Stakeholders may fall into any of the following broad categories:

- Director of the Company,
- Employee of the Company (including Ex-employee of the Company),
- Employee of the other agencies deployed for the Company's work, whether working at the Company's office or any other location,
- Client of the Company.
- Any other person having an association with the Company.

A person belonging to any of the above mentioned categories can avail the channel provided by this policy for raising an issue covered under this policy.

Definitions

"Act" means the Companies Act, 2013, Rules framed thereunder and any amendments thereto.

"Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

"Board" means the Board of Directors of the Company.

"Company" or "PDL" means Paisalo Digital Limited.

"Good Faith" An employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practice or any alleged wrongful conduct. Good faith shall be deemed lacking when the employee does not have personal knowledge of or a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the alleged wrongful conduct is malicious, false or frivolous.

"Policies" or "This Policy" means Whistle-Blower Policy/Vigil Mechanism.

"Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

"Whistle-Blower" means someone who makes a protected disclosure under this Policy.

"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 under this policy.

"Whistle Officer" or "Whistle Committee" or "Vigilance Officer" or "Vigilance Committee" means an officer or Committee of persons who is/are nominated/appointed to conduct detailed investigation of the disclosure received from the Whistle Blower and recommend disciplinary action. The Committee, if appointed, should include Senior Level Officer of Personnel & Admin, Internal Audit and a representative of the Division/Department where the alleged malpractice has occurred.

All other words, terms and expressions used but not defined in this policy, shall have the same meaning as respectively assigned to them in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Companies Act, 2013 or rules and regulations made thereunder, or any statutory modification or re-enactment thereto, as the case may be.

Policy

Directors and Every employee of the Company is expected to promptly report to the management any actual or possible violation of the Company's Code of Ethics & Business Conduct.

The unlawful or unethical or improper practice or act or activity (hereinafter referred to as an alleged wrongful conduct) may include, but is not limited to, any of the following:

- Abuse of authority
- Manipulation of Company data/records
- Deliberate violation of any law/rule/regulation
- Misuse or misappropriation of the Company's assets/funds
- Breach of contract/company policy
- Misuse of confidential/propriety information
- Any unlawful act whether criminal/civil.

No manager, director, department head, or any other employee with authority to make or materially influence significant personnel decisions shall take or recommend an adverse personnel action against an employee in knowing retaliation for a disclosure of information, made in good faith, about an alleged wrongful conduct.

Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

Guiding Principles

To ensure that this policy is adhere to, and to assure that concern will be acted upon seriously, the Company will:

- Ensure that the Whistleblower and/or the person processing the protected disclosure is not victimized for doing so;
- Treat victimization as a serious matter, including initiating disciplinary action on person including victimisation;
- Ensure confidentiality;
- Take disciplinary action, if any one destroys or conceals evidence of the protected disclosure made to be made;
- Provide an opportunity of being heard to the persons involved specially to the Subject;

- take steps to remove

Roles, Rights and Responsibilities of Whistle-Blowers

- Whistle-Blowers provide initial information based on a reasonable belief that an alleged wrongful conduct has occurred. The motivation of a whistle-blower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report, whether orally or in writing, is itself considered an improper activity, which the Whistle Officer/Whistle Committee has the right to act upon.
- Whistle-Blowers shall refrain from obtaining evidence for which they do not have a right to access. Such improper access may itself be considered an improper activity.
- Whistle-Blowers have a responsibility to be candid with the members of the Whistle Officer/Whistle Committee or others to whom they make a report of alleged improper activities and shall set forth all known information regarding any reported allegations.
- Anonymous Whistle-Blowers must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrong doing or broad allegations would not be undertaken without verifiable evidence. Because investigators are unable to interview anonymous Whistle Blowers, it may be more difficult to evaluate the credibility of the allegations and, therefore, less likely to cause an investigation to be initiated.
- Whistle-Blowers are reporting parties, not investigators. They are not required to 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 investigating authority.
- The identity of the Whistle-Blower will not be disclosed except where required under the law or for the purpose of the investigation.
- A whistle-blower's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation or any other misconduct or wrong doing.
- This policy may not be used as a defence by an employee against whom an adverse personnel action has been taken for legitimate reasons or cause under Company rules and policies. It shall not be a violation of this policy to take adverse personnel action against an employee, whose conduct or performance warrants that action, separate and apart from that employee making a disclosure.
- While it will be ensured that genuine Whistle-Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle-Blower knowing it to be false or bogus or with a mala fide intention.

- Whistle-Blowers, who make any disclosures, which have been subsequently found to be mala fide or malicious or Whistle-Blowers who makes three or more disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further disclosures under this Policy. This itself will be considered as an improper activity on which the Whistle Officer/Whistle Committee members have the right to act upon.

Rights of a Subject

Subjects have the right to be heard and the Whistle Officer/ Whistle Committee must give adequate time and opportunities for the subject to communicate his/her say on the matter.

Subject have right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/investigation.

Procedures

A. For Making a Disclosure:

- Any employee who observes or has knowledge of an alleged wrongful conduct shall make a protected disclosure to Whistle Officer/Committee. The disclosure may be made in writing (by e-mail or on paper) or orally (a personal meeting or over the telephone).
- The Whistle Officer to whom the disclosure has been made shall appropriately and expeditiously investigate all Whistle-Blower disclosures received. In this regard, the Whistle Officer, if the circumstances so suggest, may request to senior officer or a committee of managerial personnel to investigate into the matter.
- The Whistle Officer / Committee shall have the right to outline a detailed procedure for an investigation.

B. For Filing a Complaint by Whistle-Blower:

- Not later than 30 days after a current or former employee is notified or becomes aware of an adverse personnel action, he or she may protest the action by filing a written Whistle-Blower complaint with Whistle Officer.
- Within 45 days of the complaint, the Whistle Officer will submit a report to the Delegation or Whistle-Blower Committee. After considering the report, the Committee shall determine the future course of action and may order remedial action.

C. Direct access to the Chairperson of Audit Committee:

- In exceptional cases, where the Whistle-Blower is not satisfied with the outcome of the investigation and decision, he/she can directly access to the Chairperson of the Audit Committee with protected disclosures.

Retention of Documents

All protected disclosures in writing or documented along with the results of the investigation relating thereto shall be retained by the Company for minimum period of 8 years or such other period as may be prescribed

Access to Reports and Documents

All reports and records associated with protected disclosures are considered confidential information and access will be restricted to the Whistle-Blower, the Whistle Committee and Whistle Officer. Disclosures and resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

Notification

All Department Heads of the Company are required to notify and communicate the existence and contents of this policy to their employees. The new employees shall be informed about the policy by the HR department.

Amendments

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time. Any amendment to the Policy shall take effect from the date when it is approved by the Audit Committee of the Company and hosted on the Company website.