

# **LENDINGKART FINANCE LIMITED**

## **Vigil Mechanism / Whistle Blower Policy**

**(Last Amended on 04.08.2022)**

Approving Authority:	Board of Directors
Context:	The Policy is formulated pursuant to Section 177 (9) of the Companies Act, 2013 to facilitate employees to report concerns of any unethical behavior, actual or suspected fraud or violation of any applicable Law or Company policy Code of Conduct.

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## 1. PREAMBLE

This Vigil Mechanism/Whistle Blower Policy (“**Mechanism**” or “**Policy**”) has been formulated pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the applicable rules thereto as applicable and amended from time to time (hereinafter referred to as “**Law**”), by the Board of Directors of Lendingkart Finance Limited (“**LFL**” or the “**Company**”).

Accordingly, a Vigil Mechanism and Whistle blower Policy has been formulated with a view to provide a mechanism for Directors and employees of the Company to approach the Chairman of the Audit Committee of the Company, and in some cases, the Chairman of the Company, to report genuine concerns.

## 2. OBJECTIVE

LFL adheres to the highest standards of ethical, moral and legal conduct of business operations and has thus established the Policy to facilitate employees to report concerns of any unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

The objective of this Policy is to provide a framework to promote responsible and secure whistle blowing in case of any instance of malpractice or misconduct across LFL. This Policy encourages Directors and Employees (defined hereunder) to bring to the Company’s attention instances of any unethical actual or suspected incidents of fraud or violation of the Company’s code that could adversely impact the Company’s operations, business performance and/or reputation or raise bona fide concerns. The Company shall investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

## 3. APPLICABILITY

This Policy is applicable to all Directors and Employees of LFL.

## 4. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below:

1.	Alleged Wrongful Conduct	Alleged Wrongful Conduct shall include the following: <ul style="list-style-type: none"><li>▪ illegal or unethical conduct including that adversely affects investors, shareholders, customers, suppliers, other employees or the business performance or image or reputation</li></ul>
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		<p>of the Company;</p> <ul style="list-style-type: none"> <li>▪ fraud or suspected fraud including financial irregularities;</li> <li>▪ violation of applicable laws or LFL rules including breach of code of conduct;</li> <li>▪ manipulation of records and/or data;</li> <li>▪ negligence causing danger to health and safety of Employees or public at large;</li> <li>▪ hiding or trying to hide/camouflage of any such misconduct;</li> <li>▪ leaking of Company's confidential / sensitive information or data/papers;</li> <li>▪ misuse or misappropriation of Company's assets, position, power or authority for personal gain;</li> <li>▪ conflict of interest with the Company</li> <li>▪ any other incident, that is unusual in nature and calls for attention of the Company's management.</li> </ul>
2.	Audit Committee	means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
3.	Board	means the Board of Directors of the Company.
4.	Committee	means the group of members who will conduct the investigation as authorised by the Vigilance officer; or the Audit Committee in case Vigilance officer doesn't constitute the Committee for conducting the investigation.
5.	Code of Conduct	means the code of conduct for the Board and senior management and the code of conduct / ethics policy

		applicable to all employees of the organization.
6.	Director	means a director appointed to the Board of the Company.
7.	Disciplinary Action	means an action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
8.	Employee	means any person in direct or indirect employment of LFL and includes its consultants, advisors, and any person working at LFL.
9.	Information or Protected Disclosure	means a concern raised by Director(s) or an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an activity covered under the definition of Alleged Wrongful Conduct under the scope of the Policy with respect to the Company. However, the 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.
10.	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.
11.	Vigilance Officer	means Chairman of the Audit Committee.
12.	Whistle Blower or Complainant	means an Employee, or Director, contractors, consultants, trainees, service providers, vendors, consumers or any other person who directly deals with the Company in a transaction, monetary or otherwise, making a Protected Disclosure.

## **5. POLICY OBJECTIVES**

- 5.1 A Whistle Blower (Vigil) Mechanism provides a channel to the Directors and the employees to report to the management, the concerns about any Alleged Wrongful Conduct. The mechanism provides for the manner of reporting, safeguards against victimization of person who use such mechanism.
- 5.2 This Policy neither releases Directors and the employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

## **6. SCOPE OF THE POLICY**

- 6.1 This Policy covers any Alleged Wrongful Conduct and other matters or activity on account of which the interest of the Company is affected and is formally reported by Whistle Blower(s).
- 6.2 The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- 6.3 Whistle Blowers should not 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 Vigilance Officer.
- 6.4 Protected Disclosure will be appropriately dealt with by the Vigilance Officer/Chairman of the Company, as the case may be.
- 6.5 The whistle blowing that are in the nature of customer grievances would be dealt in the manners similar to handling customer grievances and would not be subjected to the requirements of this Whistle Blowing Policy.

## **7. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES**

- 7.1 Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same 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.
  - 7.1.1 The Protected Disclosure shall be submitted in a closed and secured envelope. The envelope shall be super scribed as "PROTECTED

DISCLOSURE UNDER THE WHISTLE BLOWER POLICY”, and the envelope shall be submitted to the ‘COMPANY SECRETARY’ of the Company. The envelope shall be addressed to:

the Chairman of the Company - in case the Protected Disclosure is against the Chairman of the Audit Committee;

the Chairman of the Audit Committee – in case the Protected Disclosure is against an employee or a director (other than the Chairman of the Audit Committee)

7.1.2 The Protected Disclosure may also be sent through an e-mail. The e-mail shall be addressed to

the Chairman of the Company at chairman@lendingkart.com - in case the Protected Disclosure is against the Chairman of the Audit Committee;

the Chairman of the Audit Committee at dulim23@gmail.com - in case the Protected Disclosure is against an employee or a director (other than the Chairman of the Audit Committee).

7.2 If the Protected Disclosure is not super scribed and closed as mentioned above, it will not be possible for the Vigilance Officer/Chairman of the Company, as the case may be, to protect the Complainant and the Protected Disclosure will be dealt with as if a normal disclosure. In order to protect identity of the Complainant, the Vigilance Officer/Chairman of the Company, as the case may be, will not issue any acknowledgement to the Complainant and the Complainant(s) are advised neither to write their name / address on the envelope nor to enter into any further correspondence with the Vigilance Officer/Chairman of the Company. In case of any further clarification, the Vigilance Officer/ Committee/Chairman of the Company/or any other agency or person carrying out the investigation, shall get in touch with the Complainant in a manner deemed fit.

7.3 The Protected Disclosure should be forwarded under a covering letter signed by the Complainant. The Vigilance Officer / Chairman of the Company shall detach the covering letter bearing the identity of the Complainant and process only the Protected Disclosure.

7.4 If a Protected Disclosure is received by any executive of the Company, the same should be forwarded to the Vigilance Officer/Chairman of the Company for further appropriate action. The executive shall not open the envelope.



7.5 The Company encourages that Whistle Blowers disclose their name when submitting a complaint. The investigations can be more quickly and effectively completed when the Whistle Blower is identified because it allows the Company's investigators to follow up directly with the Whistle Blower. However, it is possible that a Whistle Blower may choose to remain anonymous. In case of anonymous reporting, the Vigilance Officer in consultation with the CEO/ MD or the Chairman of the Company in consultation with an external agency, shall take a decision whether there is sufficient evidence to merit further inquiry. Complaints that are ambiguous, unclear, provide inadequate information or which unfairly accuse the employee complained against will not be investigated further. Anonymous complaints will be considered only if they offer clinching evidence against the wrongdoing. Also, there will be no deliberate efforts taken to identify the Whistle Blower through forensic investigations, except in cases where the accusations are very serious, and the Vigilance Officer/ Chairman of the Company in consultation with the Audit Committee feels, it is necessary to track and identify the anonymous Whistle Blower. In such cases, the identity and information of the anonymous Whistle Blower shall not be disclosed by the investigating authority to any person other than the Audit Committee, Board of Directors or other external Agencies, as required by law; or to such persons authorized by the Whistle Blower.

7.6 Procedure:

7.6.1. The Protected Disclosure must include as much information about the suspected violation or reported incident and should be made in a format prescribed in Annexure -1.

7.6.2. On receipt of the Protected Disclosure, the Vigilance Officer/Chairman of the Company, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the Complainant whether he/she was the person who made the Protected Disclosure or not. The record will include:

- Brief facts;
- Whether the same Protected Disclosure was raised previously by anyone and the subject thereof, and if so, the outcome thereof.

7.6.3. In case the Protected Disclosure is against an employee or a director (other than CEO/ MD or Chairman of the Audit Committee), then the Vigilance Officer together with CEO/ MD would discuss and decide whether the further investigations should be undertaken or the matter should be dismissed due to absence of requisite basis. In case it is found/established that further investigation is necessary, it will be carried out by the Committee as may be formed by including members from the related departments.

- 7.6.4. In case the Protected Disclosure is against the Chairman of the Audit Committee, then the Chairman of the Company may hire an external agency for preliminary investigations. On the basis of the preliminary report of the external agency, the Chairman of the Company may either dismiss the matter or require the external agency to carry out further investigations and submit a detailed report.
- 7.6.5. In case the Protected Disclosure is against the CEO/ MD, then the Vigilance Officer may hire an external agency for preliminary investigations. On the basis of the preliminary report of the external agency, the Vigilance Officer may either dismiss the matter or require the external agency to carry out further investigations and submit a detailed report.
- 7.6.6. In case it is decided to dismiss the matter (under 7.6.3, 7.6.4 and 7.6.5), the reasons for dismissal should be recorded in writing and may also be communicated to the Whistle Blower in such form or format as may be considered appropriate by the Vigilance Officer/Chairman of the Company.
- 7.6.7. The detailed findings of investigation as carried out (under 7.6.3, 7.6.4 and 7.6.5) shall be recorded in writing and reported to the Audit Committee.
- 7.6.8. An opportunity of being heard shall be provided to all the people involved and the confidentiality of the matter be ensured.
- 7.6.9. In case the concern raised is found to be completely false or frivolous or malafide, the Vigilance Officer/Chairman of the Company shall, in consultation with the Audit Committee, take appropriate Disciplinary Action against the Whistle Blower.
- 7.6.10. The Audit Committee if deems fit may call for further information or particulars from the Whistle Blower.

## **8. CONCERNS THAT MAY BE REPORTED**

**LFL is committed to developing a culture where it is safe for all to raise concerns of any unethical behaviour. It is up to the Whistle Blower to justify and satisfy himself / herself about the matter and report accordingly.** The Whistle Blower may report a wrongful conduct including the Alleged Wrongful Conduct under this mechanism. However, in the event of reporting of an incident that is unusual in nature and calls for attention of the Company's management, the reporting of such wrongful conduct must be adequately justified with strong rationale as to why the same shall be considered as a whistleblowing complaint. Any such complaint without adequate rationale is liable to be rejected.

## **9. INVESTIGATION**

- 9.1 All Protected Disclosures under this policy will be recorded and investigated. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- 9.2 The decision to conduct an investigation itself is not an accusation and is to be treated as a neutral fact-finding process.
- 9.3 Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation except in cases where the ability of the Company to investigate the matter or gather necessary evidence is jeopardized by such intimation. Subject(s) shall have a duty to co-operate with the investigating agency to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.
- 9.4 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the Subject(s).
- 9.5 Subjects have a right to consult with a person or persons of their choice, other than the Vigilance Officer / investigating officer and/or members of the Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- 9.6 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 9.7 Subject(s) have a right to be informed of the outcome of the investigations. The Whistle Blower may also be informed of the outcome of the investigations in such form and format as considered appropriate by the Vigilance Officer/Chairman of the Company.
- 9.8 The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure and is extendable by such period as may be considered necessary.

## **10. DECISION AND REPORTING**

- 10.1 The Audit Committee will report findings on matter along with its recommendations to the Board for their consideration. The Board may discuss the findings with the management of the Company and authorize

either the CEO/ MD or other officer, as may considered appropriate, to take requisite action(s).

## **11. SECRECY / CONFIDENTIALITY**

The Complainant, Vigilance Officer, Chairman of the Company, Members of the Committee, the Subject and everybody involved in the process shall:

- Maintain confidentiality of all matters under this Policy.
- Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- Keep the papers in safe so as to avoid leakage of information.
- Keep the electronic mails / files under password.

## **12. PROTECTION**

- 12.1 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 Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The Company will take steps to remove difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure etc.
- 12.2 A Whistle Blower may report any violation of the above clause to the Vigilance Officer/Chairman of the Company, as the case may be, who shall investigate into the same and recommend suitable action to protect the interest of the Whistle Blower.
- 12.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the Whistle Blower will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the Whistle Blower being disclosed, the Audit Committee is authorized to initiate

appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this Policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

- 12.4 Any other person or employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

Provided however that the complainant before making a complaint shall have reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith and assessed as such shall be viewed seriously and the Whistle Blower shall be subject to appropriate disciplinary action. This policy does not protect a Director or an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

### **13. COMMUNICATION**

A Whistle blower Policy cannot be effective unless it is properly communicated to Directors and employees. They shall be informed of the same by publishing in notice board or other suitable means and also posting on the website of the Company.

### **14. RETENTION OF DOCUMENTS**

All Protected disclosures documented along with the results of investigation relating thereto, shall be retained by the Audit Committee for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

### **15. DISCLOSURE**

Adequate disclosures pertaining to this Policy shall be made in the Annual Report and on the website of the Company as required by Law.

### **16. AMENDMENTS**

This amended Policy is recommended by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 4<sup>th</sup> August, 2022. The Policy shall be reviewed at yearly interval or earlier if considered necessary by the Audit Committee/ Board of Directors. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s),

circular(s) etc.

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**Annexure 1**  
**WHISTLE BLOWING – PROTECTED DISCLOSURE**

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**Part 1 – To be completed by Whistle Blower (or Reporting Authority who received the information from anonymous whistle-blower)**

1.1 Name & Department of Whistle Blower

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1.2 Date of Reporting

\_\_\_\_\_

1.3 Name & Department of Person(s)-in-question

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1.4 Description of Issue

\_\_\_\_\_

**Part 2 – To be completed by Investigator**

2.1 Summary of Investigations / findings

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\_\_\_\_\_

2.2 Conclusion and Recommended Actions

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2.3 Follow-up Actions and Target Dates, if applicable

Follow up Actions	Target Dates