

WHISTLE BLOWER POLICY / VIGIL MECHANISM

The vigil mechanism/whistle blower policy for Aye Finance Pvt Ltd (herein after referred to as "Company") finds its origin under Section 177(9) of Companies Act, 2013 read with rule 7 of Companies (Meeting of Board and its Powers) Rules, 2014 which makes it mandatory for every listed company and the Companies belonging to the following class or classes to establish a vigil mechanism for directors and employees to report their genuine concern or grievance.

- a) The Companies which accept deposits from the public;
- b) The Companies which have borrowed money from banks and public financial institutions in excess of fifty crore Indian rupees.

In compliance with the applicable provisions of Companies Act, 2013 and the related rules, the Company hereby formulated this Vigil Mechanism/Whistle Blower Policy.

This mechanism shall come into effect with effect from the date of approval by the Board of Directors of the Company.

I. OBJECTIVE

This policy empowers the employees / vendors to report in good faith, any unethical, improper or wrongful conduct or practice in the Company without the threat of intimidation from their managers, managerial personnel or principals.

II. APPLICABILITY

This policy applies to all employees and vendors of the Company.

III. DEFINITIONS

"Adverse Personnel Action" means an employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.

"Alleged Wrongful Conduct" means alleged Wrongful Conduct shall mean violation of law, infringement of Company's Code of Conduct or ethical policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

"Committee" means an Audit, Risk and Compliance Committee constituted by the Board of Directors of the Company.

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

"Company" means Aye Finance Private Limited (hereinafter referred to as "Company"), which includes its branches/regional offices.

"Compliance Officer" means, Executive Director of the Company.

"Employee" means all the present employees of the Company.



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V. GUIDELINES

1. Procedure-

Any employee / vendor who observes any unethical & improper practices or alleged wrongful conduct shall make a written disclosure to the Compliance Officer or if the complaint is against the Compliance Officer to the Managing Director or the Chairman of the Committee, as soon as possible but not later **than 45 business days** after becoming aware of the same. The disclosure should be factual and neither speculative nor in the nature of a conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern. An anonymous Complaint will be taken up only if it has substance and full details are given.

The following process shall be followed after receipt of disclosure from a Whistle Blower:

1. The Compliance officer shall immediately forward the disclosure to the Committee within 10 business days of receiving the same.
2. The Whistle Blower should be advised that the complaint has been received and is being investigated. The whistle blower may mark the complaint directly to the Chairman of the Audit Committee if such an advice is not been received within 15 days of lodging the complaint with the Compliance Officer.
3. The Committee may cause an initial enquiry to be conducted as deemed appropriate given the nature of the complaint lodged and if the Committee satisfies itself that the concern has no basis, or it is not a matter to be further investigated or pursued under this Policy, it may be dismissed at this stage and the said decision will be recorded thereafter.
4. Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Audit Committee or by such other person as may be authorised or appointed by the said committee.
5. The Audit Committee, if deems fit, may call for further information or particulars from the Whistle Blower and at its discretion, consider involving any other/additional officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.
6. The investigation shall be completed normally within 60 days of the receipt of the disclosure by the Committee and is extendable by such period as the Board may deem fit.
7. The Audit Committee shall make a detailed written record of the Written Disclosure and its investigations. The record will, inter alia, include:
 - (a) Facts of the matter;
 - (b) The financial/otherwise loss which has been incurred/would have been incurred by the Company;
 - (c) Findings of the Committee; and
 - (d) The recommendations of the Committee on disciplinary/other action(s), if required.
8. The Audit Committee as the case may be, after due enquiries, pass orders for disciplinary/other action(s) which may inter-alia include :
 - (a) Order for an injunction to restrain continuous violation of this policy;
 - (b) Reinstatement of the employee to the same position or to an equivalent position;
 - (c) Order for compensation for lost wages, remuneration or any other benefits, etc.



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If an investigation leads to a conclusion that an improper or unethical act has been committed by the Executive Director or the Managing Director of the Company, the Chairman of the Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

9. **Reporting-** A quarterly report with number of complaints, if any, received under the Policy and their outcome shall be placed before the Committee and the Board of Directors.

2. Secrecy and Maintenance of Confidentiality-

The Whistle Blower, the Audit Committee and everyone involved in the process shall:

- a) Maintain complete and strict confidentiality/secrecy of the matter during the investigation;
- b) Not discuss the matter with any other person other than one required for enquiry/investigation into the matter;
- c) Not keep the papers unattended anywhere at any time; and

If anyone is found not complying with the above, he/she shall be held liable for such disciplinary and punitive action as is considered fit.

3. Protection from Intimidation

The Whistle Blower should be provided protection against intimidation from the reported party. The payments, salary and reimbursements payable to the whistle blower in the normal course of business, should not be withheld without a valid reason.

4. False Allegation & Legitimate Employment Action-

An employee / vendor who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct to the Audit Committee shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures.

Further, this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of information by him and for legitimate reasons or cause under Company rules and policies.

5. Notification-

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department.

VI. AMENDMENT

The Board reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

VII. DISCLOSURE

The details of establishment of such mechanism shall be disclosed by the company on its website and in the Board's report.



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"Good Faith" means an employee / vendor shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct.

Good Faith shall be deemed lacking when the concerned employee / vendor does not have personal knowledge of a factual basis for the communication or where the employee / vendor knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

"Managerial Personnel" means Managerial Personnel shall include all Executive Directors, all Executives at one level below Executive Directors and Functional Heads at the corporate level.

"Policy or This Policy" means, "Whistle Blower Policy." Or "Policy on Vigil Mechanism"

"Unethical and Improper Practices" means unethical and improper practices shall mean –

- a) An act which does not conform to approved standard of social and professional behavior;
- b) An act which leads to unethical business practices;
- c) Improper or unethical conduct;
- d) Breach of etiquette or morally offensive behavior;
- e) An act against the accepted business practices or values of the organization, etc.

"Vendor" means any person or entity that has business deals with the Company or has a contract with the Company.

"Whistle Blower" means an employee of the Company who discloses in Good Faith any unethical & improper practices or alleged wrongful conduct to the Head of Department or in case it involves Managerial Personnel to the Compliance Officer and in exceptional cases to the Audit Committee in writing.

"Written Disclosure" means a disclosure made by an aggrieved employee or vendor that is communicated to the recipient through mail, email, fax or any digital form.

IV. GENERAL INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and any other applicable laws (including amendments) for the time being in force.



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