

# VIGIL MECHANISM / WHISTLE BLOWER POLICY

Policy Owner

### **1. PREFACE**

Section 177 (9) of the Companies Act, 2013 and the Rules there under, prescribes that:

- (a) every listed company;
- (b) the Companies which accepts deposits from the public;
- (c) the Companies which have borrowed money from banks and public financial institutions in excess of Rupees Fifty Crores.

shall establish a Whistle Blower policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy. The Company has adopted a Code of Conduct named "DCL's Code of Conduct" for Directors and Senior Management Executives & employees, who lay down the principles and standards, which should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for 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 appropriate or exceptional cases.

DIGAMBER CAPFIN LIMITED being a Company which has borrowed fund from bank and Public Financial Institution in excess of Rupees Fifty Crores, in compliance with the aforesaid provisions of the Companies Act, 2013 and the rules made there under, establishes a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

### **2. POLICY OBJECTIVES**

The Vigil Mechanism is to ensure highest ethical, moral and business standards in the course of functioning and to build a lasting and strong culture of corporate Governance within the Company.

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The policy is intended to encourage all Directors and employees of the Company to report suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviors or practices by Directors/employees without fear of retribution. The Directors/employees can voice their concerns on irregularities, malpractices and other misdemeanors through this Policy.

It also provides necessary safeguards and protection to the Directors/ employees who disclose the instances of unethical practices/behavior observed in the Company. The mechanism also provides for direct access to the Chairman of the Audit Committee in exceptional cases

This Policy should be read in conjunction with the instructions already prevailing in the Company and the instructions under section 177 of the Companies Act, 2013.

### **3. SCOPE OF THE POLICY**

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of funds, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

### **4. DEFINITIONS**

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act 2013 & rules made there under and in compliance with RBI Guidelines on Corporate Governance for NBFCs prescribed for this purpose (subject to amendments made thereafter)”

“Employee” means every employee of the Company, including Directors in the employment of the Company.”

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“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. Protected Disclosures should be factual and not speculative in nature.”

“DCL’s Code of Conduct” mean Conduct for Directors and Senior Management Personnel adopted by Digamber Capfin Ltd.”

“Subject” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.”

“Whistle Blower” means a director or an Employee making a Protected Disclosure under this Policy.”

“Whistle and Ethics Officer” means an officer of the company Authorized by Board by Directors of the company to conduct detailed investigation under this policy and to receive protected disclosure from Whistle blowers, maintain record thereof, placing the same before the Audit Committee for its disposal and informing the Whistle blower the results thereof.”

“Company” means “DIGAMBER CAPFIN LIMITED”

### **5. ELIGIBILITY**

All Directors, Employees and various stakeholders of the company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company. The policy covers malpractices and events which have taken place/suspected to have taken place in the Company involving:

- (i) Corruption
- (ii) Frauds
- (iii) Misuse/abuse of official position,
- (iv) Manipulation of data/documents,
- (v) Any other act, which affects the interest of the Company adversely and has the potential to cause financial or reputational loss to the Company.

### **EXCLUSIONS**

Decisions taken by the committees established by the Company pursuant to any policy of the Company shall be outside purview of this policy.

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

All Protected Disclosures should be reported in writing by the complainant 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.

The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “PROTECTED DISCLOSURE UNDER THE WHISTLE BLOWER POLICY”. Alternatively, the same can also be sent through email with the subject “PROTECTED DISCLOSURE UNDER THE WHISTLE BLOWER POLICY”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee 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 Whistle & Ethics Officer will not issue any acknowledgement to the complainants and they are advised not to enter into any further correspondence with the Whistle & Ethics Officer. The Whistle & Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

The Company shall not entertain anonymous/ pseudonymous disclosures.

The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Whistle and Ethics Officer or the Chairman of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

All Protected Disclosures should be addressed to the Whistle and Ethics Officer of the Company or to the Chairman of the Audit Committee (in exceptional cases). The contact details of the Whistle and Ethics Officer are as under: -

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Name: Ms. Bharti Sukhyani  
Designation: HR Manager

Address: J-54 55 2nd Floor “Anand Moti”, Himmat Nagar, Gopalpura,  
Tonk Road, Jaipur- 302018  
Email Id: hre@digamberfinance.com  
Contact No: 0141-2700233 / 234

Protected Disclosure against the Whistle and Ethics Officer should be addressed to the Chairman of the Audit Committee in exceptional cases. Name and address of Chairman (audit committee):

Name: Mr. Lalit Kumar Jain  
Address: 302, Pearl ISH Niwas, C-40, Tarun Marg, Tilak Nagar,  
Jawahar Nagar, Jaipur-302004 (Rajasthan)  
Email Id: lalitjain888@yahoo.com  
Contact No: 9413093779

Note: In the absence of Mr. Lalit Kumar Jain, all complaints shall be addressed to the person, acting as chairman of said committee.

On receipt of the protected disclosure the Whistle and Ethics Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he 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 if so, the outcome thereof;
- ✓ Whether the same Protected Disclosure was raised previously on the same subject;
- ✓ Details of actions taken by Whistle and Ethics Officer / Chairman for processing the complaint
- ✓ Findings of the Audit Committee
- ✓ The recommendations of the Audit Committee/ other action(s)

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The Whistle and Ethics Officer / Chairman of Audit Committee, if deems fit, may call for further information or particulars from the complainant.

### **7. INVESTIGATION**

All Protected Disclosures reported under this Policy will be thoroughly investigated by the Whistle and Ethics Officer of the Company who will investigate / oversee the investigations under the authorization of the Audit committee. Chairman of Audit Committee / Whistle and Ethics Officer may at its discretion consider involving any investigators for the purpose of Investigation.

The decision to conduct an investigation taken into a Protected Disclosure by itself is not an acceptance of the accusation by the Authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.

The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of the investigation.

Unless there are compelling reasons not to do so, Subjects will be given reasonable opportunity for hearing their side during the investigation. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

Subjects shall have a duty to co-operate with the Whistle and Ethics Officer / Chairman of Audit Committee during investigation to the extent that such co-operation sought does not merely require them to admit guilt.

Subjects shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.

Subjects shall have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

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Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subjects shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

Whistle and Ethics Officer shall normally complete the investigation within 90 days of the receipt of protected disclosure.

In case allegations against the subject are substantiated by the Whistle and Ethics Officer in his report, the Audit Committee shall give an opportunity to Subject to explain his side.

### **8. PROTECTION**

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 Blowers 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 minimize 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.

A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.



### **DISQUALIFICATION FROM PROTECTION**

- ✓ Protection under the policy would not mean protection from departmental action arising out of false or bogus disclosure made with mala fide intention or complaints made to settle personal grievance.
- ✓ Whistle Blowers, who make any disclosures, which have been subsequently found to be mala fide or frivolous or malicious, shall be liable to be prosecuted and appropriate disciplinary action will be taken against them.
- ✓ This policy does not protect a whistle blower from an adverse action which occurs independent of his disclosure under this policy or for alleged wrongful conduct, poor job performance or any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.
- ✓ In case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action as they deem fit against the concerned director or employee including Termination.

### **9. SECRECY / CONFIDENTIALITY**

The complainant, Whistle and Ethics Officer, Members of Audit 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;
- ✓ Not keep the papers unattended anywhere at any time;
- ✓ Keep the electronic mails / files under password.

### **10. DECISION**

If an investigation leads the Whistle and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Whistle and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may

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deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Whistle and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

### **11. REPORTING**

The Whistle & Ethics officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

### **12. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

### **13. RETENTION OF DOCUMENTS**

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

### **14. POLICY IMPLEMENTATION**

A copy of the policy shall be uploaded on the website of the Company. The Whistle and Ethics Officer will ensure that the policy is known to all Directors and employees of the Company. Vigil Mechanism/ Whistle Blower Policy will be subject to review every year.

**15. POWER OF AUDIT COMMITTEE TO FRAME PROCEDURES AND GUIDELINES**

Subject to the provisions of this policy, the Audit Committee may put in place appropriate procedures and guidelines for implementing all or any of the matters covered in the policy.

**16. AMENDMENT**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is approved by the Board of Directors of the Company.

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**DIGAMBER CAPFIN LIMITED**

**Registered office Address:**

**J-54-55, II Floor, Anand Moti, Himmat Nagar,  
Gopalpura, Tonk Road, Jaipur-302018, Rajasthan**

