

# WHISTLE BLOWER POLICY (VIGIL MECHANISM)

Version 3.0

Latest Approved by:

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## 1 Introduction

Aye Finance is committed to fostering an ethical and transparent work environment. To uphold our core values of integrity and accountability, we have established the Whistle-blower Policy (Vigil Mechanism), providing a safe and confidential platform for reporting any unethical practices, financial irregularities, or misconduct. This policy reflects our dedication to protecting the interests of our employees, stakeholders, and the organization, ensuring that all concerns are addressed responsibly and impartially.

## 2 Legal Framework

The Whistle Blower policy (Vigil Mechanism) for Aye Finance Limited (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.

Further, Regulation 4(2)(d)(iv) and Regulation 22(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Last amended on July 10, 2022), inter alia, provides for the listed entity to devise an effective Vigil Mechanism enabling stakeholders, including individual employees, their representative bodies, and directors, to freely communicate their concerns about illegal or unethical practices. It also establishes that the vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

## 3 Objective

The primary objective of the Whistle-blower Policy is to:

- a) Encourage individuals to report genuine concerns or unethical conduct without fear of retaliation.
- b) Establish a clear and confidential mechanism for investigating complaints effectively.
- c) Protect whistle-blowers by ensuring their identity remains confidential and they are safeguarded from victimization.
- d) Strengthen Aye Finance's commitment to integrity and reinforce trust among employees, stakeholders, and partners.

## 4 Applicability and Scope

This policy is applicable to all employees and directors of the company and to third parties such as vendors and contractors of the company.

This Policy covers all malpractices and events that have taken place or suspected to have taken place including but not limited to the following:

### 1) Ethical Violations:

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- a) Nonadherence to the Code of Conduct.
- b) Misuse of office for personal gain.
- c) Pilferage of confidential or proprietary information.
- d) Abuse of authority or position.

**2) Financial and Legal Concerns:**

- a) Corruption and bribery.
- b) Suspected or actual fraud.
- c) Financial irregularities, including embezzlement or misappropriation of funds.
- d) Wastage / misappropriation of company funds/assets.
- e) Deliberate violation of laws, regulations, or contractual obligations.

**3) Information Security:**

- a) Pilferage of confidential/propriety information.
- b) Leak of unpublished price-sensitive information (UPSI).
- c) Cybersecurity breaches or negligence.

**4) Criminal and Environmental Concerns:**

- a) Criminal offenses involving the organization or its employees.
- b) Environmental violations, such as illegal dumping or pollution.
- c) Wilful negligence causing substantial danger to health, safety, or the environment.

**5) Operational and Reputational Risks:**

- a) Any act resulting in monetary loss, operational risk, or damage to the organization's reputation.
- b) Social media misuse leading to reputational risks.
- c) Breach of trust or fiduciary duties.

**6) Workplace Misconduct:**

- a) Harassment, discrimination, or bullying.
- b) Retaliation against whistle-blowers or other employees.
- c) Unsafe working conditions or practices.

Whistle Blower Policy should not be used as a route for raising malicious or unfounded allegations against colleagues or for issues relating to personal grievance (increment, promotion, etc.).

## 5 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”** 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.

**“Board of Directors”** or **“Board”** means the Board of Directors of the Company, as constituted from time to time.

**“Audit Committee”** means committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

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

**“Compliance Officer”** means, Head of Internal Audit & Vigilance of the Company.

**“Employee”** means any individual who is presently employed by the organization on a full-time, part-time, temporary, or contractual basis. This includes permanent staff, directors, interns, consultants, and any third-party personnel who perform duties for or on behalf of the organization.

**“Stakeholders”** means any individual, group, or entity that has an interest in or is affected by the activities, decisions, or policies of the organization. This includes employees, customer, investors, directors and third parties such as suppliers, contractors, and vendors of the company.

**“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.

**“Policy or This Policy”** means, “Whistle Blower Policy” or “Vigil Mechanism”.

**“POSH Committee”** is constituted to prevent sexual Harassment at workplace. The committee shall have a woman working at a senior level as a presiding officer. And at least 50% of the committee members shall be women and one external member from non-governmental organizations (NGO) or associations committed to the cause of women or a person familiar with the issues relating to sexual harassment shall also be a member.

**“Protected Disclosure”** means a disclosure made by an aggrieved employee or vendor that is communicated to the recipient through mail or email.

**“Third Party”** means any person or entity that has business deals with the Company or has a contract with the Company such as vendors and contractors.

**“Unpublished price sensitive information (UPSI)”** shall mean any information relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available is likely to materially affect the price of the securities and shall ordinarily include information relating to financial results, dividends, change in capital structure, Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions and changes in key managerial personnel.

**“Unethical and Improper Practices”** shall mean –

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

“Whistle Blower” means an any executive(s) and associated stakeholder(s) viz. employees, directors, third parties who discloses in Good Faith any unethical & improper practices or alleged wrongful conduct under the provisions of this policy. The whistle blower(s) are not investigators or finders of the facts; neither can they determine the appropriate corrective or remedial action that may be warrant. The Whistle Blower’s role is that of a reporting party only.

**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.

**6 Guidelines**

*6.1 Procedure*

Any stakeholder who observes any unethical & improper practices or alleged wrongful conduct shall make a written disclosure to the Compliance Officer, promptly and preferably within 30 days of becoming aware of any alleged wrongful conduct in the format mentioned in Annexure. The disclosure should be factual and neither speculative nor in the nature of conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern. It should have significant level of details. Concerns expressed anonymously/ pseudonymously will be considered only in exceptional circumstances where the disclosure has sufficient base of facts, contains full details and evidence, and pose a severe damage to the Company in the opinion of the Compliance Officer. If the complaint is against the Compliance Officer, a written disclosure must be made to the Managing Director.

All Protected Disclosures can be made in the following manner:

- a) By writing an email addressing to [whistleblower@ayefin.com](mailto:whistleblower@ayefin.com). This email ID will only be accessed by Head of Internal Audit & Vigilance
- b) By sending a complaint letter in a sealed envelope marked “Private and Confidential” to the Head of Internal Audit & Vigilance to the following address.

Head – Internal Audit & Vigilance  
 Aye Finance Limited  
 7th floor, Unitech Commercial Tower 2,  
 Sector- 45, Gurugram, Haryana – 122003

- c) If the complaint is regarding the head of Internal Audit & Vigilance or if an acknowledgement on receipt of complaints is not received for considerable period of time, a letter in a sealed envelope marked “Private and Confidential” should be sent to Managing Director of the company at the following address.

Managing Director  
 Aye Finance Limited  
 7th floor, Unitech Commercial Tower 2,  
 Sector- 45, Gurugram, Haryana – 122003

- d) For complaints by or against any director or compliance officer, a letter in a sealed envelope marked “Private and Confidential” should be sent to Chairperson of board committee of

the company at the following address.

Chairman of the Audit Committee  
 Aye Finance Limited  
 7th floor, Unitech Commercial Tower 2,  
 Sector- 45, Gurugram, Haryana – 122003

If any employee or member of the leadership team receives a mail or letter containing allegations, or any correspondence that may potentially lead to an allegation, they should promptly forward it to the designated whistle-blower email ID. In cases where a hard copy of the letter or evidence is received, it should be sent to the address specified above.

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

1. The Compliance officer shall notify the whistle-blower that the complaint has been received and is being investigated.
2. Such complaints/Protected Disclosure against the Directors, including the Managing Director, shall be placed before the Board in the first available meeting.
3. The complaints lodged through this channel falling under the purview of 'Sexual Harassment at Workplace' should be routed to the Prevention of Sexual Harassment Committee ("POSH") for suitable action and appropriate closure within 3 business days of receiving the same.
4. An initial enquiry to be conducted by compliance officer as deemed appropriate given the nature of the complaint lodged and present a preliminary report to Managing Director. If it is established 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.
5. Where initial enquiries indicate that further investigation is necessary, this will be carried out by such person(s) as may be authorised or appointed by the Compliance Officer.
6. The Compliance Officer, 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 an outside agency for the purpose of investigation.
7. The investigation shall be completed normally within 90 days of the receipt of the disclosure and is extendable by such period, if required.
8. The Compliance Officer shall make a detailed written record of the Protected 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 investigation; and
  - d) The recommendations on appropriate disciplinary/other action(s), if required.
9. If the investigation leads to a conclusion that an improper or unethical act has been committed, the Board of Directors of the Company will take such disciplinary or corrective action as it may

deem fit.

#### 6.2 *Reporting to the Board Committee*

A quarterly report with number of complaints, if any, received under the Policy and their status/ findings of the investigation shall be placed before the Audit Committee of the board.

#### 6.3 *Secrecy and Maintenance of Confidentiality*

The Whistle Blower, the compliance officer, 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
- d) Keep the electronic mails/files relating to the matter under password protection.

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.

#### 6.4 *Protection to the whistle blower*

- a) The company will protect Whistle Blower from Unfair Treatment by virtue of his/her having reported a Protected Disclosure under this Policy.
- b) The company, as a policy, condemns any kind of discrimination, harassment, victimization, or any other unfair employment practice adopted against Whistle Blower.
- c) Whistle Blower will be protected against any unfair practice like retaliation, threat or intimidation or termination/suspension of service, disciplinary action, transfer, demotion, discrimination, any type of harassment, biased behaviour or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties/functions including making further Protected Disclosure.
- d) The company will take steps to minimize difficulties, which the Whistle Blower may experience because of making the Protected Disclosure.
- e) If a Whistle Blower makes an allegation in good faith, but if such allegation is not confirmed by the investigation, no action will be taken against the Whistle Blower.
- f) Whistle-blower may report any violation of the aforesaid provisions to the compliance officer who shall investigate the reported violation and recommend suitable action to the Board against the person(s) found responsible for the violation.

#### 6.5 *False Allegation & Legitimate Action*

An employee / vendor who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct, shall be subject to appropriate disciplinary action, up to and including termination of employment.

Further, this policy may not be used as a defence 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.

### **6.6 Conflict of Interest**

Where Compliance official or any investigating official appointed by the Compliance Officer/ Board Committee has a conflict of interest in the matter, he/she shall recuse themselves and the remaining members may proceed to deal with the matter.

### **6.7 Communication**

The existence and contents of this policy will be communicated to all employees of the company.

### **6.8 Retention of Documents**

All documents including the Investigation reports relating to Protected Disclosures shall be retained by the company under the custody of Compliance Officer for a minimum period of 8 years from the date of investigation report or as mentioned in applicable law, if any.

## **7 Amendment**

This policy may be amended or modified in whole or in part, at any time without assigning any reason, whatsoever with the approval of the Board.

## **8 Review Frequency**

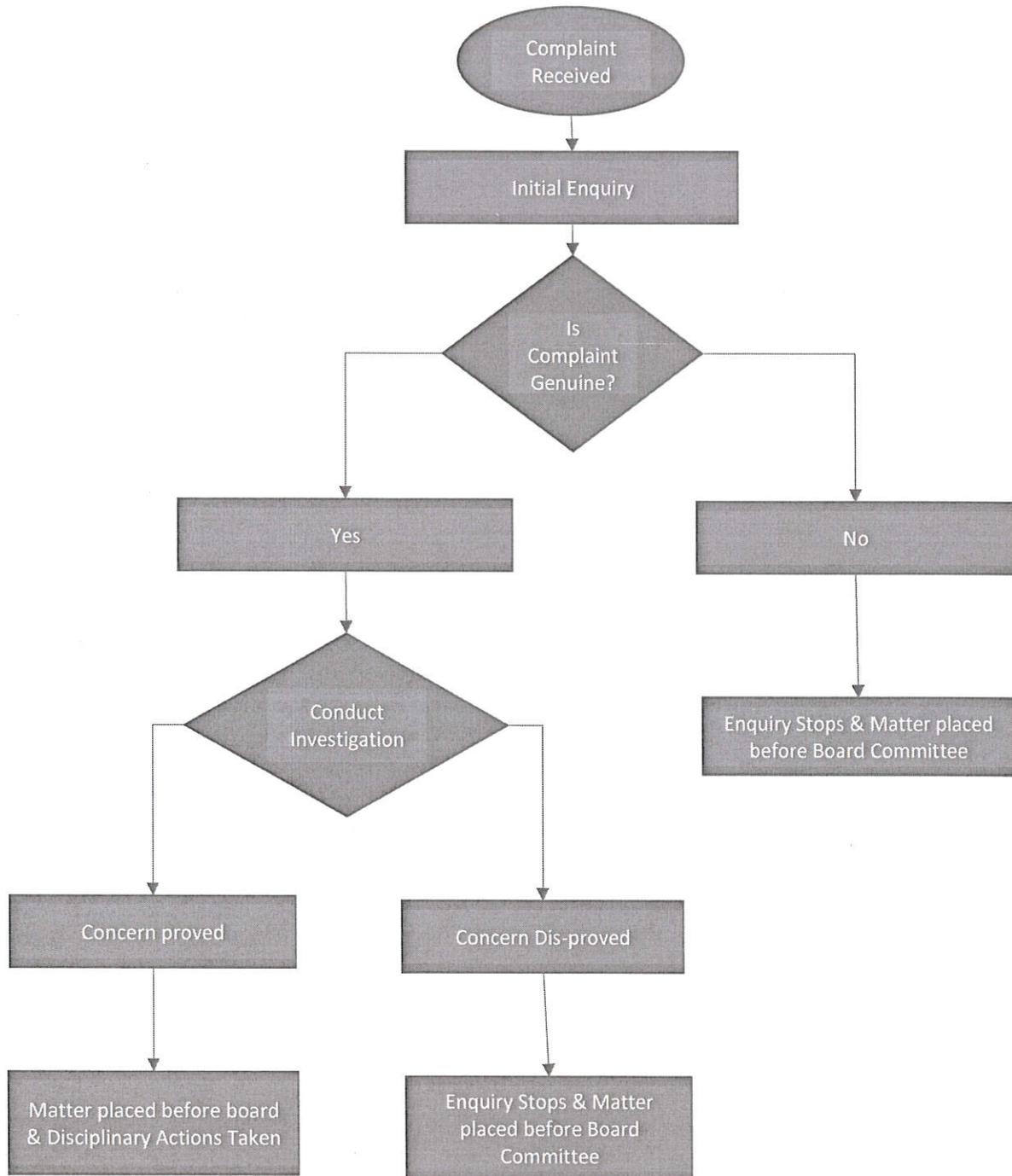
This policy shall be reviewed as and when required or at least once annually for incorporating regulatory updates and changes, if any.

## **9 Disclosure**

The details regarding the establishment of such a mechanism shall be disclosed by the company on its official website, displayed on the notice board at each branch, and included in the Board's report.

10 Annexure 1

PROCESS FLOW OF WHISTLE BLOWER/ VIGIL MECHANISM



11 Annexure 2

**Whistle-blower Complaint Form (Confidential)**

**Date:**

**Whistle-blower Information:**

- Name:
- Employee ID/Nature of Association with the Organization:
- Phone number:
- Email address:
- Preferred Mode of Communication: [Email/Phone/Other]
- Communication Address:

**Details of the Complaint:**

1. **Subject of the Complaint:** [Briefly describe the nature of the complaint, e.g., fraud, misconduct, violation of company policy.]
2. **Date(s) of the Incident:** [Provide the date(s) when the issue occurred.]
3. **Location of the Incident:** [Specify where the incident took place, e.g., office premises, virtual meeting.]
4. **Description of the Incident:** [Provide a detailed account of the issue, including what happened, individuals involved, and any relevant supporting information or documentation.]

**Supporting Evidence:**

- Attachments (if applicable): [List any documents, photos, emails, or other evidence supporting the complaint.]
- Witnesses (if applicable): [Provide names and contact details of any witnesses.]

By submitting this form, I confirm that the information provided is true and accurate to the best of my knowledge.

**Signature:**

**Additional Notes:**

- The organization ensures that all complaints will be handled with utmost confidentiality and fairness.
- Retaliation against whistle-blowers is strictly prohibited and will be subject to disciplinary action.