

**PAHAL FINANCIAL SERVICES PRIVATE LIMITED**

**Whistleblower Policy**

**Verified by**

Name	Designation	Signature	Date
Ms. Nikita Sharma	Company Secretary		

**Prepared by**

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**The Whistleblower Policy is approved by the Board of Directors at its Meeting held on 5<sup>th</sup> May 2023**

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## **Whistleblower Policy**

### **1. Purpose**

The company has adopted a code of conduct for all employees of Pahal including all level of Board, Management and Staff (“the code”), which lays down the principles and standards that should govern their actions.

Any actual or potential violation of the code, howsoever insignificant or perceived as such, is a matter of serious concern for the company. The Company intend to prevent the occurrence of any practice not in compliance with the Code through Whistle Blower Policy/Vigil Mechanism. This mechanism aims to provide a secure environment to Employees for responsible reporting of the Code violation by Employees.

### **2. Objective of Policy**

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy.

Pahal Financial Services Private Limited (“PFSP”) is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, PFSP encourages its employees who have genuine concerns about suspected misconduct to come forwards and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors or employees.

This neither releases employee from their duty of confidentiality in the course of their work nor can it be said as a route for raising malicious or unfounded allegations about a personal situation.

### **3. Scope of the policy:**

The policy is an extension of the Code of Conduct of PFSP and covers disclosure of any unethical and improper or malpractices and events which have taken place/suspected to take place involving:

- Breach of the Company’s Code of Conduct.
- Breach of business Integrity and Ethics.
- Breach of Terms and Conditions and Employment thereof.
- Intentional Financial irregularities, including Fraud, or suspected fraud.
- Deliberate violation of laws/regulations.
- Gross or willful negligence causing substantial and specific danger to health, safety and environment.
- Manipulation of company data/records.

PFSP/2023-24/1.0

- Pilferage of confidential /proprietary information.
- Gross Wastage/misappropriation of Company funds/assets.

#### 4. **Regulatory Aspects:**

- Section 177(9) of the Companies Act, 2013 mandates the following classes of the companies to constitute the Vigil Mechanism:
  - i. Every listed Company;
  - ii. Every other company which accepts deposits from the Public;
  - iii. Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 Crore.

#### 5. **Definition**

- **Code:** means Code of Conduct adopted by PFSP.
- **Company:** means Pahal Financial Services Private Limited (“PFSP”) and all its offices/branches.
- **Directors:** means Board of Directors of the Company.
- **Disciplinary Action:** means any actions 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 actions as is deemed to be fit considering the gravity of the matter.
- **Employee:** means every resource on the permanent or temporary rolls or Management Trainee of the Company.
- **Investigator:** means those persons appointed by the Audit Committee, required for assistance in the investigation of the Protected Disclosure and who submit their findings to the Audit Committee.
- **Investigation 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. It could be a group of individuals as well.
- **Policy:** means Whistle Blower Policy or Vigil Mechanism
- **Protected Disclosure:** means a written communication of a concern made in good faith, which discloses or demonstrate information that may evidence an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- **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.

- **“Vigilance Officer”** is a person or committee of persons, nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof. In the absence of appointed Vigilance Officer as under for any reason for a period of 30 days, such person shall act as vigilance Officer as the Audit Committee may decide.
- **“Whistle Blower”** is an employee or group of employees who make a protected Disclosure under this policy and also referred in this policy as complainant.

## 6. Guidelines

### 6.1 Whistle Blower

- 6.1.1** All protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English/Hindi/Gujarati.
- 6.1.2** The protected disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as **“Protected disclosure under the Whistle Blower Policy”** or 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, the protected disclosure will be dealt with as if a normal Disclosure.
- 6.1.3** All Protected Disclosures should be addressed to either of the Vigilance Officer of the Company or to the Chairman of the Audit committee in exceptional Cases.
- 6.1.4** Whistle Blower are not to act on their own in conducting any Investigation.
- 6.1.5** If the Whistle Blower choose to disclose his/her identity to the Vigilance Officer, the authenticity of the Whistle Blower’s identity will be established by the Vigilance Officer before considering the case for the purpose of Investigation.
- 6.1.6** In case of anonymous disclosure, Vigilance officer shall, at his/her end, examine the possible intentions and genuineness of the disclosure in advance before going ahead with the investigation. In case Vigilance officer suspects that the allegation has been made with malafide intention or is frivolous in nature, or is not genuine, he/she can decide to drop the case.
- 6.1.7** The Protected Disclosure made by the Whistle Blower must be genuine with adequate supporting data/proof. If it is established that the allegation was made with mala fide intentions or was frivolous in nature, or was not genuine, the Whistle Blower shall be subject to the Disciplinary Action.

**6.1.8** The Whistle Blower may also choose to be anonymous. However, it may sometimes be difficult or even impossible to thoroughly investigate the disclosures that are made anonymously. The Whistle Blower is, therefore, strongly encouraged to share his/her identity when making the disclosure.

## **6.2 Confidentiality**

All concerns and issues raised under this Policy shall be treated in a confidential manner except to the extent necessary to conduct a complete, fair and effective investigation. Similarly, the identities of the Whistle Blower and the Investigation Subject shall be treated with confidentiality at all times and shall only be disclosed to the investigating team for facilitation of proper investigation, if required

## **6.3 Protection:**

No unfair treatment shall be exhibited towards the Whistle Blower by virtue of his/her having reported a protected disclosure under this policy and the Company shall ensure that full protection has been granted to him/her under the circumstances that Whistle Blower provides complete identity, against:

- (a) Unfair employment practices like retaliation, threat or intimidation of termination / suspension of services / contracts etc.
- (b) Direct or indirect abuse of authority to obstruct the Whistle Blower's right to continue performance of his/her duties/functions during routine daily operations, including making further Protected Disclosures under this Policy.

The Whistle Blower may also report any violation of the above clause to the Audit Committee directly, which may direct an investigation into the same and decide suitable Disciplinary Action against the concerned.

## **6.4 Investigation Subject**

**6.4.1** All Investigation Subjects shall be duly informed about the Protected Disclosures made against them at the commencement of the formal investigation process and shall have regular opportunities for providing explanation during the course of the investigation process.

**6.4.2** No Investigation Subject shall directly/indirectly interfere with the investigation process, till the completion of the investigation.

- 6.4.3** The Investigation Subject shall not destroy or tamper with any evidence, and shall have a duty to co-operate with the Vigilance officer and Investigators involved in the inquiry till the investigation process is completed.
- 6.4.4** During the course of the investigation, all Investigation Subjects shall have a right to consult any person(s) of their choice, other than the Investigators and/or the Vigilance officer and engage any legal counsel at their own cost to represent them in the investigation proceedings.
- 6.4.5** All Investigation Subjects shall have a right to be informed about the results of the investigation process in writing by the Vigilance officer after the completion of the inquiry. They will be given an opportunity to respond to the inquiry results, as contained in the investigation report.
- 6.4.6** Where the results of the investigation highlight that the allegations made against the Investigation Subject are eventually dismissed as untenable, then the Company shall reimburse all such reasonable costs as shall have been incurred by the Investigation Subject to defend him/her, during the process of investigation.
- 6.4.7** In such cases, the Investigation Subject should also be consulted whether a public disclosure of the investigation result would be in their best interest. The Audit Committee shall have the final discretion on whether such disclosure is necessary and if yes, then on the scope and medium of such disclosure.

## **6.5 Vigilance Officer's Responsibilities**

- a. The Vigilance officer is duly authorized by the Board of Directors to receive/oversee any Protected Disclosures reported under this Policy. He/ She is responsible for ensuring appropriate action.
- b. Vigilance officer in consultation with the Chairman of the Audit Committee may consider involving any Investigators for the purpose of conducting the investigation. However, the investigations shall be launched only after the review of Protected Disclosure by the Vigilance officer, which establishes that
- (i) The Protected Disclosure made constitutes an unethical practice, as defined under this Policy;
  - (ii) The Protected Disclosure made is supported by adequate information to support an Investigation;
  - (iii) In case of anonymous disclosure, Vigilance officer shall, at his end, examine the possible intentions and genuineness of the disclosure in advance before going ahead with the investigation. In case Vigilance officer suspects that the allegation has been made with mala-fide intentions or is frivolous in nature, or is not genuine, he/she can decide to drop the case.

- c. In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

## **6.6 Investigator(s)**

- The Investigator(s) shall conduct the inquiry in a fair and unbiased manner.
- The Investigator(s) shall ensure complete fact-finding.
- The Investigator(s) shall maintain strict confidentiality at all times.
- The Investigator(s) shall derive the outcome of the inquiry and recommend appropriate course of action.

## **7. Procedure**

### **7.1 Raising a Concern**

#### **7.1.1 What to Report**

- a. Violation of the Company's Code, such as Business Integrity, Sexual Harassment, Prevention of Fraud, Rights to Intellectual Property and Data Protection;
- b. It is advised that matters related to interpersonal issues, service conditions, organizational policies etc., should be reported through the existing organizational channels addressing such concerns. The Policy should only be used for grave and serious violations of the Company's Code.
- c. Any issues related to discrimination of Employee on the grounds of race, religion, nationality, ethnic origin, color, gender, age, citizenship, sexual orientation, veteran status, marital status or any disability not effecting the functional requirements of the position held.
- d. Any Employee accepting money, loans or any such benefit or privilege from the customers.
- e. Accounting, Auditing, and internal financial matters.
- f. Disclosure of any confidential information.
- g. Falsification of Contracts, Reports, and records.
- h. Theft, or violation of policy.

#### **7.1.2 How to Report**

- The contact details of the Vigilance Officer are as under:

**Name:** Mr. Kartik S Mehta/ Ms. Purvi J Bhavsar

**Email ID:** [vigilanceofficer@pahalfinance.com](mailto:vigilanceofficer@pahalfinance.com)

PFSP/2023-24/1.0

**Address:** 7<sup>th</sup> Floor, Binori B Square – 2, Opp. Hathisingh ni Vadi, Ambli Iscon Road, Ahmedabad – 380054.

In exceptional cases Whistle Blower can address to the Chairman of the Audit Committee as per below mentioned details:

**Name and Address of Chairman (Audit Committee):** Mr. Satish G Mehta

Flat no-22, Walchand terraces, Tardeo Road, Opp. A.C. Market Tardeo, Tulsiwadi, Mumbai-400034, Maharashtra, India

**Email Id:** satishgmehta@gmail.com

On receipt of the protected disclosure, the Vigilance Officer/Chairman, 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.

### **7.1.3 Investigation:**

The investigation is to be treated as a neutral fact-finding process.

The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure and any delay beyond 60 day will be justified in the investigation report.

### **7.1.4 Documentation and Reporting:**

The Vigilance officer will make a detailed written record of the Protected Disclosure. The record will include:

- a. Facts of the matter
- b. Whether the same Protected Disclosure has been raised previously, and if so, the outcome thereof.
- c. The financial/other loss, which has been incurred/would have been incurred, by the Company
- d. Findings of The Vigilance officer
- e. Impact analysis (if applicable).
- f. The recommendations of the Vigilance officer on disciplinary/other action(s).

### **7.1.5 Decision**

- a. If an investigation leads the Vigilance officer to conclude that an improper or unethical act has been committed, he/she shall report the same to the Audit Committee, which shall decide such disciplinary/corrective actions as the Committee may deem fit.
- b. Any disciplinary/corrective action initiated against the Investigation Subject as a result of the findings of an investigation shall adhere to the applicable personnel conduct and disciplinary procedures.



#### **7.1.6 Retention of Documents**

- a. The Audit Committee shall submit a report to the Board of the Company on a regular basis about all Protected Disclosures referred to them together with the results of the investigation, if any.
- b. The related documents need to be preserved for minimum of five years from the date of final reporting.

#### **8. Amendment**

The company reserves its rights 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 and hosted on the company website.

#### **9. Communication**

A Whistle Blower Policy cannot be effective unless it is properly communicated to employees, Employees shall be informed through by publishing in notice board and the website of the company.

All employees of the company shall abide by, obey, and be bound to implement any decision taken on direction given by the Audit committee.