



IIFL House, Sun Infotech Park, Road No 16V, B-23, MIDC, Thane Industrial Area, Wagle, Estate, Thane –  
400604, Maharashtra, India

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## **WHISTLE BLOWER POLICY**

### ➤ **Preamble:**

5paisa Capital Limited (“Company”) is dedicated to conduct its business with fairness, transparency and the highest standards of professionalism, integrity, honesty and ethical behavior. In pursuit of fostering a culture of transparency, accountability and ethical governance, this Whistle Blower Policy is established to provide a secure and confidential mechanism for employees, stakeholders and other associated individuals to report any unethical, improper or illegal activities within the organization. The Company ensures that disclosures are handled with strict confidentiality, without fear of retaliation, victimization or discrimination in any form.

This policy is formulated in accordance with Section 177 of the Companies Act, 2013, Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (“SEBI PIT Regulations”). It establishes a vigil mechanism/whistle blower framework to enable directors and employees to report genuine concerns or grievances regarding unethical behavior, actual or suspected fraud, instances of leak or suspected leak of Unpublished Price Sensitive Information (UPSI) or any violation of the Company’s code of conduct or ethics policy.

This policy aims to outline and establish a structured framework for employees of 5paisa Capital Limited and its subsidiaries to report instances of unethical, improper or wrongful conduct. It also provides guidelines for investigating such reports and taking appropriate corrective actions.

This policy sets out the following:

- **Reporting Mechanism:** The Process for reporting suspected unethical, improper or fraudulent practices within the Company;
- **Protection and Confidentiality:** Assurance of confidentiality and protection from retaliation for whistleblowers making disclosures in good faith;
- **Investigation & Resolution:** A structured approach for reviewing, investigating and addressing reported concerns by the designated authority within the Company; and
- **Roles & Responsibilities:** The roles, responsibilities and powers of the relevant authority to evaluate disclosures and recommend corrective actions.

### ➤ **Objective:**

The Company is committed to fostering a culture of integrity, transparency, and accountability by ensuring that genuine concerns raised in good faith are addressed promptly without fear of retaliation, discrimination or



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victimization.

The objective of this policy is to encourage a responsible and secure whistle blowing environment where individuals can voice their concerns regarding potential violations of law, financial irregularities, corruption, abuse of authority or any act detrimental to the organization's interests.

This policy upholds the organization's dedication to integrity, accountability and ethical conduct while safeguarding the rights of whistle blowers and ensuring a fair, impartial and confidential investigation of all reported matters.

➤ **Scope:**

This policy applies to directors, employees, stakeholders and any individuals associated with the Company in any capacity. It provides a structural mechanism for reporting their concerns and raise inquiries in accordance with the procedures outlined herein.

This policy also encompasses disclosures related to any unethical behavior, misconduct, malpractices or incidents that have occurred or are suspected to occur, including but not limited to:

- **Abuse of Authority:** Misuse or abuse of authority or position;
- **Violation of Employment Terms & Policies:** Breach of employment terms, service conditions or Company policies;
- **Negligence Impacting Public Safety:** Acts of negligence posing significant risk to public health and safety;
- **Data & Records Tampering:** Manipulation, alteration or unauthorized tampering of Company data or records;
- **Financial Irregularities & Fraud:** Financial irregularities, including actual or suspected fraud;
- **Insider Trading Violations :** Leakage or suspected leakage of unpublished price-sensitive information;
- **Confidentiality & Data Protection Breaches:** Theft, unauthorized disclosure or misuse of confidential or proprietary information;
- **Legal & Regulatory Non-Compliance:** Any violation of applicable laws, statutory regulations or contractual obligations;
- **Misuse of Company Assets:** Misuse, damage or misappropriation of Company assets or funds;
- Non-compliance with the Company's Code of Conduct or internal policies;
- **Bribery & Corruption:** Acts of bribery, corruption or any form of illegal gratification;
- **Ethical & Conduct Violations:** Any other unethical, biased, preferential, reckless or improper behavior that deviates from the accepted standards of professional and social conduct, including personal grievances.

Disclosures may be reported and addressed either in accordance with the respective policies or codes formulated by the Human Resources department of the Company or under this policy, as applicable.

➤ **Definitions:**

1. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with applicable provisions of law and any amendment thereon, from time to time.
2. **“Company”** means 5paisa Capital Limited, including its subsidiaries.
3. **“Disciplinary Action”** means any action that can be taken on the completion of or 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.
4. **“Employee”** means any employee or officer of the Company (whether working in India or abroad).
5. **“Ombudsperson”** will be a Managing Director/Whole-time Director for the purpose of receiving all complaints under this policy and ensuring appropriate action.
6. **“Protected Disclosure”** means any concern raised by a written communication made in good faith that discloses or demonstrates information that alleges or may evidence a concern as unethical or improper.
7. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
8. **“Unpublished Price Sensitive Information or UPSI”** means 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 including but not restricted to, information relating to the following:
  - Financial Results;
  - Dividends;
  - Change in Capital Structure;
  - Mergers, De-mergers, Acquisitions, Delisting, Disposals and expansion of business and such other transactions;
  - Changes in Key Managerial Personnel (KMP).
9. **“Whistle Blower”** means a person or group of persons making a Protected Disclosure.
10. **“Whistle Officer” or “Committee”** means an officer or Committee of persons who is nominated/appointed to conduct detailed investigation.



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➤ **The Guiding Principles:**

To ensure strict adherence to this Policy and to affirm that reported concern are taken seriously, the Company will:

- Safeguard the Whistle Blower and/or the person handling the Protected Disclosure from any form of victimization or retaliation for raising a genuine concern;
- Treat any act of victimization as a serious offense, subject to disciplinary action against the responsible person(s);
- Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- Maintain absolute confidentiality of the Whistle Blower's identity and the details of the Protected Disclosure;
- Refrain from concealing, suppressing or tampering with evidence related to the Protected Disclosure;
- Initiate disciplinary action against any individual found destroying or concealing evidence related to the Protected Disclosure;
- Provide all parties involved, particularly the Subject, with a fair opportunity to present their case and be heard during the investigation process.

➤ **Disqualifications:**

While genuine Whistle Blowers will be provided full protection against any form of unfair treatment as outlined in this policy, misuse of this protection will attract disciplinary action in accordance with applicable laws and the Company's Code of Conduct.

The protection under this policy does not extend to individuals making frivolous, false or baseless allegations with prior knowledge of their inaccuracy or with malicious intent.

Whistle Blowers who make three or more Protected Disclosures that are subsequently found to be malicious, frivolous, baseless or not made in good faith will be barred from making further disclosures under this policy. In such cases, the Company or the Audit Committee reserves the right to take or recommend appropriate disciplinary action against the concerned Whistle Blower.

➤ **Manner in which concern can be raised:**

- A Whistle Blower may raise a Protected Disclosure to Ombudsperson through a designated email id i.e. [whistleblower@5paise.com](mailto:whistleblower@5paise.com).
- Whistle Blower are encouraged to disclose their identity when raising concerns. Anonymous disclosures



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will be investigated only in exceptional cases at the discretion of the Ombudsperson based on the prima facie of the substance.

- If the preliminary assessment by the Ombudsperson determines that the concern lacks merit or does not fall within the scope of this policy, 5paisa reserves the right to dismiss the complaint at this stage. The decision, along with the rationale, will be properly documented.
- If the initial assessment indicates that further investigation is warranted, the inquiry will be conducted either by the Ombudsperson or by a Whistle Officer/Committee appointed by the Ombudsperson. The investigation will be impartial, unbiased and carried out solely as a fact-finding process without any presumption of guilt. A detailed written report of the findings will be prepared upon completion of the investigation.
- The identity of the Whistle Blower may be disclosed to the Whistle Officer/Committee at the Ombudsperson's discretion, based on the specific circumstances of each case.

➤ **Duties/Responsibilities of Ombudsperson:**

The Ombudsperson/Whistle Officer/Committee shall:

- a. Prepare a comprehensive written record of the Protected Disclosure, which shall include:
  - Details of the reported concern;
  - Information on whether the same Protected Disclosure was previously raised by any individual, and if so, the outcome thereof;
  - Any prior Protected Disclosure made against the same Subject;
  - The financial or other potential loss incurred or anticipated by the Company;
  - Findings and observations of the Ombudsperson/Whistle Officer/Committee;
  - Recommendations on disciplinary actions or other corrective measures.
- b. The Whistle Officer/Committee shall complete the investigation and submit a detailed report to the Ombudsperson within 15 days from the date of reference.
- c. Upon receiving the report, the Ombudsperson shall discuss the findings with the Whistle Officer/Committee and may:
  - If the Protected Disclosure is substantiated, accept the findings and implement appropriate disciplinary actions or preventive measures to mitigate future occurrences;
  - If the Protected Disclosure is unsubstantiated, close the matter with proper documentation;
  - Depending on the gravity of the matter, escalate the case to the Audit Committee along with proposed



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disciplinary actions or corrective measures. The Audit Committee may either take the final decision or, in critical cases, recommend placing the matter before the Board of Directors for further deliberation and final decision.

- d. The outcome of the investigation and the decision taken by the Ombudsperson/Whistle Officer/Committee shall be communicated to the Whistle Blower.

In exceptional cases, if the Whistle Blower is dissatisfied with the outcome or decision, they may file a direct appeal to the Chairman of the Audit Committee within 7 days from the date of communication. The appeal request shall be submitted through the Company Secretary by seeking an appointment with the Chairman of the Audit Committee.

**Important Considerations:**

- a. The role of the Whistle Blower is strictly limited to reporting concerns based on credible information. They are not expected to act as investigators, fact-finders or decision-makers regarding corrective or remedial actions.
- b. Whistle Blowers must not conduct their own investigations or attempt to gather additional evidence. They are only required to participate in investigative activities if requested by the Ombudsperson/Whistle Officer/Committee.
- c. All Protected Disclosures will be handled and investigated by the Ombudsperson/Whistle Officer/Committee in line with this policy and applicable regulations.

➤ **Protection:**

a. **Protection Against Unfair Treatment:**

No Whistle Blower shall face any unfair treatment or adverse consequences for reporting a Protected Disclosure under this policy. The Company strictly prohibits any form of discrimination, harassment, victimization or unfair employment practices against the Whistle Blower. Full protection will be provided against retaliation, threats or intimidation, including but not limited to termination, suspension, disciplinary action, transfer, demotion, denial of promotion, discrimination, harassment, biased treatment or any other form of coercion. The Company shall not allow the misuse of authority to obstruct the Whistle Blower's right to perform their duties or discourage them from making further Protected Disclosures. If the Whistle Blower is required to provide evidence during disciplinary proceedings, the Company will offer necessary guidance and support to ease any difficulties faced during the process.



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**b. Confidentiality:**

The identity of the Whistle Blower shall be kept strictly confidential, except where disclosure is required by law, regulatory authorities or necessary for the investigation process.

**c. Protection for Witnesses and Supporters:**

Any employee, third party or stakeholder who assists in an investigation or provides evidence during the inquiry shall receive the same level of protection as the Whistle Blower under this policy.

➤ **Secrecy/Confidentiality:**

All parties involved in the Protected Disclosure process, including the Whistle Blower/Whistle Officer/Committee, the Subject and other individuals associated with the investigation process shall:

- a. Maintain strict confidentiality regarding all matters reported and discussed under this policy;
- b. Limit discussions to the extent necessary and only with individuals directly involved in the investigation or resolution of the concern;
- c. Ensure that documents, reports or other materials related to the investigation are not left unattended or exposed at any time;
- d. Secure all electronic records, emails and files related to the Protected Disclosure with password protection or other appropriate security measures;
- e. Store all physical documents in a secure location to prevent unauthorized access.

Non-compliance with the confidentiality obligations may result in disciplinary action as deemed appropriate by the Audit Committee.

➤ **Reporting:**

A quarterly report detailing the number of complaints received, the nature of disclosures and their outcomes shall be presented to the Audit Committee.

➤ **Annual Affirmation:**

The Company shall annually affirm that:

- No individual has been denied access to the Audit Committee for reporting genuine concerns.
- Whistle Blowers have been granted full protection from adverse actions.



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This affirmation will be included as part of the Corporate Governance Report in the Company's Annual Report, as applicable.

➤ **Retention of Documents:**

All Protected Disclosures, along with supporting documents and investigation reports, shall be securely retained by the Company for a minimum period of three years from the date of closure of the investigation.

➤ **Amendment:**

The Board of Directors reserves the right to amend, modify or revoke this policy, in whole or in part, at any time without prior notice. However, any such amendments will only become binding on Directors, Employees and stakeholders once they are communicated in writing and displayed on the Company's website or intranet portal.

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