

## WHISTLE BLOWER POLICY

### 1. PREMABLE

Lead Financial Services Limited (hereinafter referred to as "Company") is committed to promote the highest ethical standards and uphold the value of transparency and accountability in its administrative and management practices. A vigil mechanism vide this policy is formulated to provide an avenue to employees and Directors to raise their genuine concerns freely, without any fear of retribution in case they observe unethical and improper practices or any other wrongful conduct in the Company at earliest opportunity and in an appropriate manner as laid down in this policy. The Company shall take all the necessary steps to ensure that the employees/directors are not harassed or victimized for raising their genuine concerns.

### 2. SCOPE OF THE POLICY

The vigil mechanism established by the Company vide this Policy in compliance with Section 177(9) of the Companies Act, 2013 provides for taking cognizance of not only improprieties in financial or accounting matter but also abuse of authority, fraud, corruption, bribery, failure to comply with legal or regulatory obligations and even the issues relating to breach of code of conduct established by the Company.

### 3. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below:-

I. "**Alleged wrongful conduct**" shall mean violation of law, infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

II. "**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 read with Regulation 22 of SEBI (LODR) Regulation, 2015 entered into by the Company with Stock Exchanges.

III. "**Compliance Officer**" means an officer of the Company nominated by the Board of Directors 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.

IV. "**Protected Disclosure**" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

V. "**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.

VI. **"Whistleblower"** means directors or any employee of the Company, who makes disclosure in good faith pursuant to this policy about any unethical or improper practices noticed by him in the Organization/work place. The Whistle Blower's role is as a reporting party, he/she is not an investigator. Although the Whistle Blower is not expected to prove the truth of an allegation, he needs to demonstrate to the Audit Committee, that there are sufficient grounds for concern.

#### **4. PROCEDURE FOR MAKING PROTECTED DISCLOSURES**

- 4.1. 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.
- 4.2. 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". 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 Compliance officer will not issue any acknowledgement to the complainant and the complainants are advised not to write the name /address of the complainant on the envelope nor to enter into any further correspondence with the Compliance officer / audit committee. The audit committee assures that in case any further clarification is required he will get in touch with the complainant.
- 4.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Compliance Officer.
- 4.4. All Protected Disclosures should be addressed to the Compliance Officer of the Company. The contact details of the Compliance Officer are mentioned in **Annexure A**.
- 4.5. Protected Disclosure against the Compliance Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman and the Chairman of the Audit Committee are as mentioned in **Annexure A**.
- 4.6. On receipt of the protected disclosure the Compliance Officer / Chairman of the Company / Chairman of the Audit Committee 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 before referring the matter to the Audit Committee of Lead Financial Services Limited for further appropriate investigation and needful action. The record will include:
  - a) Brief facts;
  - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
  - c) Whether the same Protected Disclosure was raised previously on the same subjects;
  - d) Details of actions taken by Compliance officer/ Chairman for processing the complaint previously filed;
  - e) Findings of the Audit Committee with respect to complaint previously filed;
  - f) The recommendations of the Audit Committee / other action(s) on the previously filed complaint.
- 4.7. The Audit Committee if deems fit may call for further information or particulars from the complainant.

## **5. INVESTIGATION**

- 5.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee (AC) may investigate and may at its discretion consider involving any other Officer of the Company for the purpose of investigation.
- 5.2. The decision to conduct an investigation taken by AC is by itself not an accusation and is to be treated as a neutral fact finding process.
- 5.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 5.4. Subject(s) shall have a duty to co-operate with the AC or any of the Officers appointed by it in this regard to the extent that such cooperation will not compromise self incrimination protections available under the applicable laws.
- 5.5. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 5.6. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 5.7. Subject(s) have a right to be informed of the outcome of the investigations.
- 5.8. The investigation shall be completed normally within 60 days of the receipt of the protected disclosure and is extendable as per the decision of Audit Committee but shall not exceed from more than 30 days.

## **6. DECISION AND REPORTING**

- 6.1. Audit Committee along with its decision will report its findings to the Chairman of the Company through the Compliance officer for its execution. In case a prima facie case exists against the Subject, then the Audit Committee shall recommend an appropriate action which shall be promptly executed by the Chairman or shall send a recommendation to the Chairman to close the matter, for which the Audit Committee shall provide appropriate reasons. Copy of above decision shall also be addressed to the Compliance Officer, the complainant and the subject.
- 6.2. In case the Subject is a Compliance officer of the Company, the protected disclosure shall be addressed to the Chairman who, after examining the protected disclosure shall forward the matter to the Audit Committee. The Audit Committee after providing an opportunity to the Subject to explain his position and after completion of investigation shall submit a report suggesting an appropriate action to be taken against the compliance officer to the Chairman. After considering the report and recommendation as aforesaid, Chairman shall execute the appropriate action as suggested by the Audit Committee in this regard or shall close the matter, on the basis of reasons as provided by the Audit Committee.
- 6.3. In case the Subject is the Chairman of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure and shall directly take the necessary action.

6.4. A complainant who makes false allegations of unethical & improper practices or about wrongful conduct of the Subject to the Compliance officer, Chairman or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## **7. PROTECTION.**

7.1. 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.

7.2. 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 in accordance with the provisions of this policy.

7.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the audit committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.

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

7.5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the audit committee shall be viewed seriously and the complainant shall be subject to disciplinary action. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

## **8. 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.

## **9. COMMUNICATION.**

A whistleblower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing it on the notice board and the web site of the company.

## **10. RETENTION OF DOCUMENTS**

All Protected disclosures documented along with the results of Investigation relating thereto, shall be retained by the Compliance Officer for a period of 5 ( five) years or such other period as decided by the Audit Committee.

#### **11. ADMINISTRATION AND REVIEW OF THE POLICY.**

The Chairman shall be responsible for the administration, interpretation, application and review of this policy. The Chairman also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee

#### **12. ANNUAL AFFIRMATION.**

The Chairman shall annually affirm that the Company is working in complete consonance with this policy and all requisite steps and actions have been taken to provide protection to the complainant from any kind of unfair treatment. The affirmation shall also form part of Corporate Governance report which is attached to the Annual report of the Company.

#### **13. AMENDMENT**

This Policy can be amended, modified, revised or abrogated by the Board Of Directors of the Company from time to time.