

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

DIGIDRIVE DISTRIBUTORS LIMITED

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CIN: U51909WB2022PLC252287

Sr	Table of Contents	Page No.
1	Preamble	03
2	Objective/Purpose	03
3	Definitions	04
4	Scope	05
5	Eligibility	06
6	Guiding Principle	06
7	Safeguards/Protection	07
8	Disqualification from Protection	07
9	Procedure	08
10	Reporting	08
11	Conclusion	08
12	Investigation	08
13	Investigators	09
14	Decision	10
15	Reporting	10
16.	Communication	10
17	Retention of documents	10
18.	Disclosure	10
19	Policy Review	11
20.	Limitations and Amendment	11

1. Preamble

Digidrive Distributors Limited (“Company”) believes in fair conduct of its affairs and sets the highest standards in good and ethical Corporate Governance practices. The Company has formulated a Code of Conduct for the Board of Directors and Senior Management Personnel. It has also formulated various Policies and Internal Rules & Regulations governing the actions of the Company as well as its employees.

The Board of Directors (“the Board”) of **Digidrive Distributors Limited** (“the Company”) had framed this Policy related to Whistle Blower/Vigil Mechanism. Pursuant to Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates every listed company and certain companies to constitute a Vigil Mechanism/ Whistle Blower Mechanism. Further, Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**‘SEBI Listing Regulations’**) provides for a mandatory requirement for all listed companies to establish a Vigil Mechanism/ Whistle Blower Mechanism for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy.

Regulation 9A (6), Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (**‘SEBI PIT Regulations’**) mandates that every listed company should have a whistleblower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

In order to inculcate accountability and transparency in its business conduct, the Company has been constantly reviewing its existing systems and procedures. As a part of this exercise, it has been decided to introduce a Whistle Blower Policy. This Policy will enable all employees and other stakeholders to raise their concerns internally in a responsible and effective manner if and when they discover information which they believe shows serious malpractice, instances of leak of Unpublished Price Sensitive Information and/or other genuine concern regarding governance, which adversely affects the interests of the Company. This Whistle Blower Policy aims to provide a method of properly addressing genuine concerns that individuals within the Company might have whilst offering appropriate protection and anonymity, where possible, to the Whistle Blowers from victimization, harassment or disciplinary proceedings. Without compromising on the Company’s commitment to address all issues that violate the Company’s zero tolerance policy towards any wrongdoing, it is important to reiterate that the forums and platforms provided by this Policy are not wrongly used for operational grievances, and complaints arising in the natural course of business dealings and transactions.

The policy shall be effective from the listing of the equity shares of the Company on the stock exchanges.

2. Objective/Purpose

The Company’s Whistleblower Policy is an important element in detecting unethical, unlawful or improper practices, acts or activities as also corrupt, illegal or other undesirable conduct (more particularly defined hereunder as “Alleged Wrongful Conduct”). The Company strongly encourages you to speak up if you suspect or witness any matters of concern.

This policy further aims to provide a secure environment and to encourage employees of the Company to report Alleged Wrongful Conduct and to prohibit managerial personnel from taking any adverse personnel action against those employees who report such practices in good faith.

The purpose of this policy is to establish procedures for employees of the Company to report concerns regarding illegal or unethical behavior, accounting or auditing matters, and any other conduct that violates the Company's policies.

3. Definitions

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

“Act” means Companies Act, 2013

“Alleged Wrongful Conduct” means unlawful/ unethical/ improper practice/ act or activity may include, but is not limited to, any of the following:

- A violation of any law;
- Breach of contract;
- Manipulation of company data/records
- Pilferation of confidential/propriety information
- Wastage/misappropriation of company funds/assets
- Misuse or misappropriation of the Company's assets;
- Incorrect financial reporting;
- A substantial and specific danger to health and safety;
- An abuse of authority.
- No manager, director, department head, or any other employee with authority to make or materially influence significant personnel decisions shall take or recommend an adverse personnel action against an employee in knowing retaliation for a disclosure of information, made in good faith, about an Alleged Wrongful Conduct.

“Company” means Digidrive Distributors Limited.

“Board /Board of Directors” means the Board of Directors of the Company.

“Audit Committee” means the Audit Committee of the Board of Directors of the Company constituted in accordance with Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Appropriate Action” means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of a fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

“Confidential Disclosure” means any communication made in good faith to the Whistle Officer regarding leak or suspected leak of any Unpublished Price Sensitive Information.

“Disciplinary Action” means any action that can be taken by the appropriate internal authority on the completion of / during the investigation proceedings, including but not limited to, a warning, recovery of financial losses incurred by the Company, suspension / dismissal from the services of the Company or any such action as deemed fit considering the gravity of the matter.

“Employee” shall mean every employee of the Company in the employment of the Company.

“Whistle Blower” shall mean an Employee or Director or any Stakeholder making a Protected Disclosure under this Policy.

“Whistle-Blower or complainant” means any employee or director or any stakeholder by whatever name called (hereinafter referred to as “Whistle blower”), who in good faith raises genuine concern or reports evidence of activity by the company or its employee or director, If one is acting in good faith it does not matter if one is mistaken.

“Ethics Officer” shall mean the Chairperson of the Audit Committee designated for the purpose of vigil mechanism to conduct detailed investigation under this policy and to receive protected disclosure from whistle blowers, maintain record thereof, taking steps for its disposal and informing the Whistle blower the results thereof.

“Good Faith” means the nature of a communication by an insider, connected person or designated employee or any employee or stakeholder reporting any unethical and improper practices or any other alleged wrongful conduct in right spirit. Good Faith shall be deemed lacking when such person does not have personal knowledge on factual basis for the communication or where such person knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

“Investigators” mean those persons authorised, appointed, consulted or approached by the ethics officer/ Chairman of the Audit Committee and includes the auditors of the Company and the police.

“Initial Communication” means a written communication of any form of letter/e-mail that discloses or demonstrates information that may evidence unethical or improper activity.

“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

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

4. Scope of Policy

This policy encourages all the Whistle Blowers to report any kind of misuse of Company’s properties, mismanagement or wrongful conduct prevailing/executed in the Company, which the Whistle Blower in good faith, believes or, evidences but are not limited to malpractices or wrongdoing / other such events which have taken place / suspected to take place involving:

- a. This Policy is an extension of the Company’s Code of Conduct. This policy is applicable to all employees and Directors.

- b. The Whistle Blower's role is to report instances of any irregularity, unethical practice and/or misconduct. They are not required or expected to act as investigators and determine the appropriate corrective or remedial action.
- c. The employees of the Company can also report instances of leak of Unpublished Price Sensitive Information (UPSI) under the mechanism provided in the Policy.
- d. Protected Disclosure will be appropriately dealt with by the Audit Committee or such other authority as the Audit Committee may decide.
- e. The Policy aims to cover malpractices and events which have taken place/suspected to take place. These concerns may be about an act or omission that:
 - are of unethical behavior
 - are about actual or suspected fraud or violation
 - are about violation of the company's code of conduct or ethics policy or any law or regulations, policies including but not limited to corruption, bribery, theft, fraud, coercion and willful omission
 - may lead to incorrect financial reporting
 - are not in line with applicable company policy
 - are unlawful or
 - otherwise amount to serious improper conduct
 - safeguard/mitigate the possible risks and concerns
 - Breach of the Code of Conduct.
 - Criminal Offence having repercussions on the Company or its reputation.
 - Rebating of Commission / benefit or conflict of interest.
 - Mismanagement, gross wastage or misappropriation of Company's funds / assets.
 - Manipulation of Company data / records.
 - Misappropriating cash / Company assets; leaking confidential or proprietary information.
 - Unofficial use of Company's property / human assets.
 - A substantial and specific danger to public health and safety.
 - An abuse of authority or fraud. m. Complaints related to the 'Sexual Harassment' as defined under the separate Policy adopted by the Company.
 - Leak or suspected leak of any Unpublished Price Sensitive Information (UPSI) as defined in the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons adopted by the Company.
 - Sharing of undesirable content relating to the Company on any Social Media Platform.

5. Eligibility

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

6. Guiding Principle

To ensure that this Policy is adhered to, and to assure that genuine concerns of any Employee are acted upon seriously, the Company will:

- a) Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- b) Ensure complete confidentiality;
- c) Take disciplinary action, if any one destroys or conceals evidence about the Protected Disclosure made / to be made;
- d) Provide an opportunity of being heard to the persons involved, especially to the Subject;
- e) Make endeavor to ensure that Reported Disclosures are made in good faith;

7. Safeguards/Protection

The Company will take all necessary measures to protect whistleblowers from retaliation or harassment as a result of reporting a concern.

Harassment or victimisation:

Harassment or victimisation of the complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee.

Confidentiality:

Every effort will be made to protect the complainant's identity, subject to legal constraints.

Anonymous allegations:

Anonymous/pseudonymous complaints shall not be entertained, however the identity of the Whistle Blower shall be protect protected. Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified.

Malicious allegations:

Malicious allegations by any whistle blower may result in disciplinary action.

8. Disqualification from Protection

- a. It will be ensured that genuine Whistle Blowers are given complete protection from any kind of unfair treatment, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. They may also face such other disciplinary action as may be decided by the Audit Committee.

9. Procedure

- a. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation and sent in a sealed cover to the Company Secretary's office or email to digidrive.sec@rpsg.in .
- b. If a protected disclosure is received by any executive of the Company, the same should be forwarded to the Company Secretary's office marked for the attention of the Chairman of the Audit Committee.
- c. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or Bengali.
- d. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower with his / her designation, place of posting, residential address and contact phone number. The covering letter will be detached before the Protected Disclosure is forwarded to any investigator.
- e. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- f. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures are not favoured as it would not be possible to interview the Whistleblowers. However, when an anonymous Whistleblower provides specific and credible information that supports the complaint, such as alleged perpetrators, location and type of incident, names of other personnel aware of the issue, specific evidence, amounts involved etc. while choosing to maintain anonymity, then there are often sufficient grounds for the Company to consider an investigation into the complaint.

10. Reporting

All reports will be treated confidentially and the identity of the whistleblower will be protected to the fullest extent possible. The Company will not retaliate against any employee who reports a concern in good faith.

11. Conclusion

The Company is committed to maintaining the highest standards of ethical conduct and to ensuring that its employees are able to report concerns without fear of retaliation or harassment. The Company encourages all employees to report any concerns that they may have and to cooperate fully with any investigation.

12. Investigation

The Company will promptly investigate all reports of wrongdoing or misconduct. The investigation will be conducted in a fair and impartial manner. Employees are expected to cooperate fully with any investigation.

If the investigation determines that a violation of the law or Company policy has occurred, the Company will take appropriate action, including disciplinary action up to and including termination of employment. The Company may also refer the matter to the appropriate law enforcement or regulatory authorities.

All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Officer of the Company. The Ethics Officer may at his discretion consider involving any investigators for the purpose of Investigation.

- Investigations will be launched only after a preliminary review which establishes that the alleged act constitutes an improper or unethical activity or conduct, and the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, but it is felt that the concerned matter deserves investigation.

- If it is determined that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.

- The decision to investigate 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 being heard 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 Ethics Officer 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.

- 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.

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

13. Investigators

- a. A team of 3 (three) Investigators to be authorized by the Audit Committee will conduct the process towards fact-finding and analysis with regard to the Protected Disclosures. They should be senior officials of the Company and where required outside expert(s) having necessary experience dealing with similar matters.
- b. Technical and other resources may be drawn upon as necessary for the investigation. All Investigators shall be independent and unbiased both in fact and as perceived.

Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of legal and professional standards.

- c. Investigations will be launched only after a preliminary review which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct, and
 - ii. either the allegation is supported by information specific enough to be investigated, or
 - iii. matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

14. Decision

- If an investigation leads the Ethics Officer to conclude that an improper or unethical act has been committed, the Ethics Officer shall recommend to the management of the Company to take such disciplinary or corrective action as he may 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 Ethics Officer shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

15. Reporting

The Investigators shall submit a report to the Chairman of the Audit Committee on a quarterly basis about all Protected Disclosures referred to them since the last report together with the results of investigations, if any.

16. Communication

A whistle Blower policy cannot be effective unless it is properly communicated to Employees Directors and Stakeholders of the Company. The policy shall be published on the website of the company.

17. 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 may be specified by any other law in force.

18. Disclosure

The Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

19. Policy Review

The Board may, subject to applicable laws, amend, suspend or rescind this Policy at any time and in any case, the Policy shall be reviewed by the Board at least once every three years and updated accordingly. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Related Party Policy.

20. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

Last Amended date: 26th July, 2023