



NAVACHETANA MICROFIN SERVICES PRIVATE LIMITED

Vigil Mechanism /Whistle Blower policy

1. Preference

Section 177 of the Companies Act, 2013 and the Rules there under, prescribes that (a) every listed company, (b) the Companies which accept deposits from the public and (c) the Companies which have borrowed money from banks and public financial institutions in excess of Rupees Fifty Crores, shall establish a Whistle Blower policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct.

The main motto of forming this vigil mechanism is to identify the violation of the code of conduct which would be a matter of serious concern for the Company and to take suitable action on the same. Such mechanism shall provide for adequate safeguard against victimization of directors and employees.

NAVACHETANA MICROFIN SERVICES PRIVATE LIMITED ("Navachetana" or "the Company"), has funds borrowed from banks and public financial institutions in excess of Rupees Fifty Crores. Therefore, in compliance with the provisions of the Companies Act, 2013 and the rules made there under, the company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

2. Objectives of forming the policy

The Company maintains high standard of ethical, legal and moral conduct in its business mechanism. In order to maintain this conduct Company, encourages and motivates its employees who have concerns about suspected misconduct to come forward and express these issues without fear of punishment. This mechanism builds a channel to the employees and Directors to report to the management about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct, misrepresentation of any financial statements and reports, etc.

3. Scope of the Policy

This policy intends to cover serious issues which have impact on the operations and performance of the business of the Company. Such serious issues are listed as follows:

1. Violation of terms and conditions of employment.
2. Violation of rules and regulation of the various Acts.
3. Violation of Code of Conduct.
4. Sexual harassment cases.
5. Violation of business ethics.
6. Not maintain confidentiality.
7. Manipulation of Company data/documents/records.

4. Definition

The definition of the certain terms used in this policy/mechanism are given below:

"Audit Committee" means the Committee constituted by the Board of Directors of NMSPL in accordance with Section 177 of the Companies Act, 2013.

"Whistle Blower" means an Employee or Director making a Protected Disclosure under this Policy.

"Employee" means every employee of the Company, including the Directors in the employment of the Company.

"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.

"Protected Disclosure" means disclosure of any unethical and improper activity which made in the interest of the Company.

5. Eligibility

All employees and directors are eligible for making disclosure under this policy. The disclosure any be in relation to matters concerning Navachetana.

6. Receipt and Disposal of Protected Disclosure

Once the Whistle Blower identifies the fraud or improper behaviour he/she shall report the complaint in writing in a legible handwriting in English, Hindi, or in regional language of the place of employment of the Whistle Blower. The protected disclosure should be submitted in a closed envelope. Alternately, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". The Whistle Blowers shall be given complete protection from any kind of unfair treatment.

In respect of such Whistle Blowers, Navachetana / Audit Committee would reserve its right to take/ recommend appropriate disciplinary action.

7. Procedure for making protected Disclosure

All protected disclosure should be addressed to the chairman of the Audit Committee of Navachetana. The contact details of the Audit Committee are as under:

The Chairman
Audit Committee
Navachetana Microfin Services Private Limited
#1596, 36th Cross, 11 'A' Main , 4th 'T' Block ,
jayanagar , Bangalore-560041.

The closed envelope which contains protected disclosure should be opened by the chairman of the Audit Committee and he will discuss the protected disclosure with the members of the Audit Committee and later it will be sent for investigation.

The protected disclosure should be factual in nature and not speculative. It should contain as much as specific information to allow for proper assessment. The person making the protected disclosure should disclose his or her identity in the covering letter forwarding such protected disclosure.

8. Investigation

- All the protected disclosures should be properly investigated by the Audit Committee, who may at their discretion consider involving any investigator for the purpose of the investigation.
- The subject matter of the protected disclosure will be kept confidential.
- Subjects shall have a duty to co-operate with the Audit Committee
- Subjects have a duty to consult any person or persons of their choice, other than the investigator or members of the Audit Committee.
- If the subject demands the investigator can engage counsel at their cost to represent them in the investigation proceedings but have a responsibility not to interfere with the investigation.
- Once the protected disclosure is received the chairman of the Audit Committees shall make a record of the protected disclosure and such record should include:
 - I. Brief facts
 - II. Whether the protected disclosure is new one or the same which was raised previously by anyone, and if so the outcome thereof
 - III. Details of the action taken by the Whistle and Ethics Officer
 - IV. Findings of the Audit Committee.
- The investigation should be completed within 60 days from the date of receipt of protected disclosure any in any case not to exceed 90days. In case it could not be completed within the normal time progress report may be shared to the Audit Committee.

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

9. PROTECTION TO WHISTLE BLOWERS

Complete protection shall be given to Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this Policy. Navachetan as a policy, condemn 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.

Navachetana will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The investigation conducted shall be kept confidential to the extent possible.

10. INVESTIGATOR

Investigators are required to conduct a process for finding facts and do analysis all type of technical support shall be given to the investigator for conducting the investigation and the investigation shall be independent and unbiased .He should maintain his professional standards and behave ethically.

Investigation shall be started only after a preliminary review which proves that thealleged act constitutes an improper or unethical activity or conduct.

11. DECISION

The outcome of the investigation should be informed to the top management and Audit Committee and suitable action should be taken on them and have to make sure that such mis-behaviour or unethical behaviour will not repeat in future. The action taken against the subject of the investigation according to this policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures. The decision of the audit committee shall be final in respect of the disclosure.

12. REPORTING

The Audit Committee shall submit a report to the management on a regular basis about all Protected Disclosures referred to him/ her since the last report together with the results of investigations, if any.

13. RETENTION OF DOCUMENTS AND MAINTAINING CONFIDENTIALITY

All the protected disclosure in writing and the result of the investigation should be protected and maintained properly for a period of seven years.

14. POWER OF THE AUDIT COMMITTEE FOR FRAMING POLICIES AND MAKING REQUIRED AMENDMENTD

Audit committee have the authority and power to make appropriate procedures and guidelines in order to implement any of the matter covered in the policy.