

VIGIL MECHANISM AND WHISTLE-BLOWER POLICY OF

Navi Finserv Private Limited

(Formerly known as Chaitanya Rural Intermediation Development Services Private Limited)



Version No.	VGWBL/1.0/2020-21
Originally adopted Date of Policy	February 18, 2021
Amended/Modified Date of Policy	-
Policy owner	Chief Executive Officer
Approved by	Board of Directors
Signature	RIYA BHATTACHAR YA Digitally signed by RIYA BHATTACHARYA Date: 2021.02.18 20:36:30 +05'30'

Reference: Section 177 of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its powers) Rules, 2014.

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INTRODUCTION

Navi Finserv Private Limited (formerly, known as Chaitanya Rural Intermediation Development Services Private Limited) (hereafter referred to as “**Navi**” or “**Company**”) believes in the conduct of its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour and complying with applicable laws. The Company is also committed to develop a culture where it is safe for all the employees and stakeholders to raise such concerns / grievances.

The Vigil Mechanism and Whistle-Blower Policy is implemented not only as a deterrent for unethical practises, but also to provide a mechanism for reporting legitimate complaints or grievances and to ensure that deviations from the Code of Conduct are dealt with in a fair and unbiased manner.

This policy is framed pursuant to Section 177 of the Companies Act, 2013. While the Code of Conduct defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the standards set out in the Code of Conduct.

SCOPE AND EXCLUSION

This Vigil Mechanism and Whistle-blower Policy (the “**Policy**”) sets out the mechanism for reporting legitimate complaints or grievances of deviations from the standards set out in the Code of Conduct which could have significant impact on the operations and performance of the business of the Company.

This Policy applies to all Employees (including outsourced, temporary and on contract personnel), ex-employees and stakeholders of the Company and Navi Group (such person, hereinafter referred to as a “**Whistle Blower**”).

DEFINITIONS

“**Audit Committee**” means the Audit Committee formed by the Board of Directors in accordance with Section 177 of the Companies Act 2013 and RBI Guidelines on Corporate Governance for NBFCs, each as amended, supplemented, modified or replaced from time to time, who are charged with oversight of financial reporting and disclosure of the Company.

“**Board of Directors**” means a body of elected or appointed members who jointly oversee the activities of the Company.

“**Code of Conduct**” means the Navi Code of Conduct, a part of the Company’s HR policy outlining the responsibilities of or proper practices for an individual, party or organization.

“**Employee**” means every employee of the Company or Navi Group, including the Directors in the employment of the Company.

“**Investigators**” means selected employees or third parties charged with conducting investigations to ascertain the creditability of such whistle-blower complaints.

“**Navi Group**” means Navi Technologies Private Limited (the holding company) and its subsidiaries, affiliates and associate companies.

“**Protected Disclosure**” any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the Company.

“**Reportable Matter**” means a genuine concern concerning actual or suspected:

- a. fraudulent practices, such as improperly tampering with the Company’s books and records, or theft of property of the Company;
- b. corruption, including bribery and money laundering;
- c. other illegal activities; and
- d. breaches of the Code of Conduct.

Provided that complaints concerning personal grievances, such as professional development issues or employee compensation, are not Reportable Matters for purposes of this Policy.

“**Subject**” means a person against whom, or in relation to whom a Protected Disclosure is made.

“**Vigilance Committee**” means a committee of selected employees of the Company who are authorized to receive whistle-blower complaints internally or through a third party in writing.

“**Whistle-Blower**” means any Employee or a including stakeholder or their representative bodies making a Protected Disclosure under this Policy.

PRINCIPLES OF THE VIGIL MECHANISM

To ensure effective implementation of the Policy, the Company shall:

- ensure protection of the Whistle-Blower against victimization for any disclosures made by them, whether they are Protected Disclosures or otherwise;
- ensure complete confidentiality of the identity of the Whistle-Blower and the information provided by them;
- ensure that all Protected Disclosures are acted upon within reasonable timelines and no evidence is concealed or destroyed;
- ensure that the investigation is conducted honestly, neutrally and in an unbiased manner;
- ensure that the Whistle-Blower does not get involved in conducting any investigative activities other than as instructed or requested by Vigilance Committee or Chairperson of the Audit Committee;
- ensure the Subject or other involved persons in relation with any Protected Disclosure be given an opportunity to be heard; and
- ensure disciplinary actions are taken against anyone who conceals or destroys evidence related to Protected Disclosures made under this Policy.

APPLICABILITY OF POLICY

This Policy covers reporting of unethical or improper activity or behaviour or events which have taken place/suspected to take place that could have grave impact on the operations and performance of the business of the Company and malpractices and events involving:

- breach of the Code of Conduct;
- breach of any contract entered into by the Company;
- deliberate violation of any applicable law, regulation, rule or order;
- negligence causing substantial and specific danger to health, safety and environment;
- manipulation of Company’s data and/or records;
- proliferation of confidential/propriety information;
- wastage/misappropriation of Company’s funds or assets;
- abuse of authority;
- financial irregularities, including fraud, or suspected fraud; and/or
- any other activity/ies or behaviour or events, whether unethical or improper in nature, which are against the interests of the Company.

The above list is illustrative and should not be considered as exhaustive.

REPORTING MECHANISM

The Company strongly encourages any person with knowledge of the Reportable Matter to speak up and bring forward the concerns or complaints, in writing, to the notice of the Vigilance Committee. All information communicated will be treated as Protected Disclosures.

The Company has established a Vigilance Committee to investigate Protected Disclosures. The Vigilance Committee operates under the supervision of the Chairperson of the Audit Committee.

Whistle-Blowers can report concerns to Vigilance Committee as stated below:

- by email to vigilance.nfs@navi.com; or
- by letter addressed to the Vigilance Committee, marked “Private and Confidential”, and delivered to:
Vigilance Committee
Navi Finserv Private Limited
Salarpuria Business Centre
4th B Cross Road, 5th Block,
Koramangala Industrial Layout,
Koramangala, Bengaluru - 560095, Karnataka

However, Directors may report their concerns or complaints to Audit Committee directly. In addition, under exceptional circumstances where a Whistle-Blower wants to complain directly to the Chairperson of the Audit Committee, they may do so in the following manner:

- by email to audit.committee@navi.com; or
- by letter addressed to the Audit Committee, marked “Private and Confidential”, and delivered to:
Chairperson of the Audit Committee
Navi Finserv Private Limited
1006, 17th Main, BTM Layout,
1st Stage, Bangalore - 560029, Karnataka

For any complaints made to the Chairperson of the Audit Committee directly, it is mandatory for the Whistle-Blower to disclose their identity and provide their contact information. The Chairperson of the Audit Committee may choose to discuss the matter with the Whistle-Blower prior to initiating any review or investigation.

The role of a Whistle-Blower is limited to making a Protected Disclosure. A Whistle-Blower should not conduct or participate in investigations concerning a Reportable Matter that is the subject of a Protected Disclosure. Further, a Whistle-Blower should not become involved in determining the appropriate corrective action that might follow from the investigation into the Protected Disclosure.

VIGILANCE COMMITTEE

The Board has formed a Vigilance Committee as a committee under the supervision of the Chairperson of the Audit Committee who will be investigating the Protected Disclosures received.

Responsibilities of the Vigilance Committee:

- to investigate all complaints received in respect of a Reportable Matter;
- take necessary actions to maintain confidentiality within the Company and Navi Group on the Protected Disclosures;
- identify relevant Investigators for the matter, based on the nature of the Protected Disclosure; and
- recommend disciplinary or corrective action to the Audit Committee based on the investigation results.

CONFLICT OF INTEREST

Where a Protected Disclosure concerns any member of the Vigilance Committee or the Audit Committee, that member of the Vigilance Committee or the Audit Committee shall be prevented from acting in relation to that Protected Disclosure. Further, any such member of the Vigilance Committee or the Audit Committee who may have a perceived conflict shall recuse themselves from further discussions or meetings on the subject. In case of doubt, the Chairperson of the Board of Directors shall be responsible for determining whether a member of the Vigilance Committee or the Audit Committee must recuse themselves from being involved with investigation into any Protected Disclosure.

INVESTIGATION

All Protected Disclosures are taken seriously and will be promptly investigated by the Company.

All Protected Disclosures reported under this Policy shall be thoroughly investigated by the Vigilance Committee or the Chairperson of the Audit Committee, as the case may be, each of whom may, at their

discretion, appoint Investigator(s) for the purpose of investigation. The decision to investigate shall not be considered an accusation and shall be treated as a neutral fact-finding mission.

The following principles will apply to all investigations:

- the identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation;
- Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation;
- Subjects shall have a duty to co-operate with the Vigilance Committee and any Investigator appointed during the period of investigation to the extent that such co-operation sought does not merely require them to admit guilt;
- Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Vigilance Committee/ Audit Committee and/or the Whistle Blower;
- Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings but 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;
- unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation;
- Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company; and
- the investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure and in any case not to exceed 60 days.

Upon completion of the investigation, the Vigilance Committee, Chairperson of the Audit Committee or the Investigator, as the case may be, shall prepare a detailed written report within 30 working days from the date of completion of the investigation. The report shall include:

- facts of the matter;
- whether the Protected Disclosure was previously brought to the notice of the Vigilance Committee or the Audit Committee, including if it was brought against the same Subject, and if so, the outcome thereof;
- the financial/ otherwise loss which has been incurred or may potentially be incurred by the Company;
- findings of the investigation; and
- The recommendations on further course of action.

Upon the submission of the written report, the Chairperson of the Audit Committee or the Chief Executive Officer (In case the investigation is conducted by the Chairperson of the Audit Committee), shall:

- In case the Protected Disclosure is proven, accept the findings of the investigation and take such disciplinary action as may be deemed fit in accordance with the Company's policies and take preventive measures to avoid reoccurrence of the matter; or
- in case the Protected Disclosure is not proven, extinguish the matter.

Depending upon the seriousness of the matter, the Chairperson of the Audit Committee or the Chief Executive Officer, as the case may be, may refer the matter to the Audit Committee and the Board of Directors with recommendations.

If the report of investigation is not to the satisfaction of the Whistle-Blower, the Whistle-Blower has the right to report the event to the appropriate legal or investigating agency.

A Whistle-Blower who makes false allegations shall be subject to appropriate disciplinary action in accordance with the policies of the Company.

REPORTING

A report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee and the Board of Directors on a quarterly basis.

PROTECTION

Whistleblowers are strongly encouraged to provide their name and contact details whenever they make a Protected Disclosure under this Policy. If a Whistle-Blower does not provide his or her name and contact details when making a Protected Disclosure, the Company's ability to investigate the subject-matter will be affected.

If a Whistle-blower does provide his or her name when making a Protected Disclosure, the Company will treat the identity of the Whistle-blower as confidential and the fact that a Protected Disclosure has been made, except as otherwise required by applicable law and to the extent possible while allowing an investigation to proceed.

A Whistle-blower may make a Protected Disclosure without fear of retaliation or intimidation. The Company prohibits its Employees from engaging in retaliation or intimidation directed against a Whistle-blower. Employees who engage in retaliation or intimidation in violation of this Policy will be subject to disciplinary action, which may include summary dismissal.

SECRECY / CONFIDENTIALITY

The Whistle-Blower, members of the Vigilance Committee, members of Audit Committee, Investigators, the Subject and each other person involved in the process of investigation of any Protected Disclosure shall:

- maintain confidentiality of all matters under this Policy;
- discuss only to the extent or with those persons as required under this Policy for effectively conducting the investigation;
- not keep any documents or data unattended anywhere at any time. All the electronic mails / files shall be password-protected at all times.

COMMUNICATION

A Whistle-Blower Policy cannot be effective unless it is properly communicated to the Employees. The Policy should be published on the website of the Company and details of establishment of vigil mechanism shall be disclosed in the Board of Director's report of the Company.

AMENDMENT

The Company may modify this Policy at any time without notice through the process of recommendation of the Audit Committee and approval of the Board of Directors and in compliance of applicable law.
