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Preface

Section 177 of the Companies Act, 2013 and the Rules there under, require (a) every listed company, (b) the Companies which accepts deposits from the public, and (c) the Companies which have borrowed money from banks and public financial institutions in excess of Rupees Fifty Crores to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel (“the Code”), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairman of the Audit Committee in appropriate or exceptional cases.

Effective October 1, 2014, Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called ‘Whistle Blower Policy’ for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company’s code of conduct.

Policy

In compliance of the above requirements, Navketan Merchants Limited (NML), being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

Policy Objectives

The Vigil Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

Interpretation

For the purposes of this Policy references to the following shall be construed as:

- i. “NML” or “Company” shall mean Navketan Merchants Limited.
- ii. “Vigil Mechanism Policy” or “Whistle Blowing Policy” shall mean the contents herein, including any amendments made by the board of directors of the Company.
- iii. “Protected Disclosure” shall mean a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- iv. “Whistle Blower” shall mean an Employee making a Protected Disclosure under this Policy.
- v. “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.
- vi. “Chief Ethics Officer” shall mean an officer of the company nominated to conduct detailed investigation under this policy and to receive protected disclosure from Whistle blowers, maintain record thereof, placing the same before the Audit Committee for its disposal and informing the Whistle blower the results thereof.
- vii. “Employee” shall mean every employee of the Company, including the Executive Directors in the employment of the Company.

Aim and Scope of the Policy

(a) This policy aims to:

- Provide avenues for Employees and Directors to raise concerns and receive feedback on any action taken;
- Provide avenue for Employees and Directors to report breach of Company's policies
- Reassure Employees and Directors that they will be protected from reprisals or victimisation for Whistle Blowing in good faith.

(b) There are existing procedures in place to enable employees to lodge a grievance relating to their own employment. This Whistle Blowing Policy is intended to cover concerns that fall outside the scope of other procedures. That concern may be about an act or omission that:

- is unlawful or in breach of any law;
- is against the Company's Polices;
- falls below established standards or practices; or
- amounts to improper conduct, unethical behaviour or suspected fraud.

Eligibility

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

Procedure

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy" or sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance Officer are as under:-

Name and Address – Mr Rajkumar Agarwal
Director, Member of Audit Committee
Navketan Merchants Limited
12, Waterloo Street
Kolkata 700 069
Email-rajkragarwal@gmail.com

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

Investigation

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the

complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

Decision and Reporting

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

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.

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

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

Confidentiality

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

Protection

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimisation of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

Disqualifications

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

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.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

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.

Communication

Directors and Employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

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 5 (five) years or such other period as specified by any other law in force, whichever is more.

Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is not communicated in the manner described as above.