Vigil Mechanism /Whistle Blower policy

Chirag Credit Private Limited (Chirag) is a Non-Banking Finance Company registered with the Reserve Bank of India. The Company is required to formulate a vigil mechanism/ whistle blower policy for directors and employees to report genuine concerns. Chirag requires the vigil mechanism to provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases

This Policy is also pursuant to Section 177 of the Companies Act, 2013 (“Act”) and Rule 7 of Companies (Meetings of Board and its powers) Rules, 2014 which mandates:

• Every listed company

• Companies which accepts deposits from the public

• Companies that have borrowed from banks/financial institutions more than INR 50Cr. to 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 Company has adopted a Code of Conduct (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

Applicability

This policy applies to all the Employees and Directors of Chirag Credit Private Limited at all locations across the country.

Objectives

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its Employees and Directors who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A vigil (whistle blower) mechanism provides a channel to the Employees and Directors to report to the management about any of the following:

- Unethical behaviour
- Actual or suspected fraud
- Violation of the Code or legal or regulatory requirements
- Incorrect or misrepresentation of any financial statements and reports etc.

Scope

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place/suspected to have taken place involving, inter alia:

- Breach of business integrity and ethics
- Breach of terms and conditions of employment and rules thereof
- Intentional financial irregularities, including fraud, or suspected fraud

- Violation of any law or regulations, policies including but not limited to corruption, bribery, theft, fraud, coercion and wilful omission.
- Gross or wilful negligence causing substantial and specific danger to health, safety and environment
- Manipulation of the Company's data/records
- Pilferage of confidential/propriety information
- Gross wastage/misappropriation of Company funds/assets

Eligibility

All the Directors, Employees of the Company and various stakeholders of the Company are eligible to make Protected Disclosure under the Policy in relation to matters concerning the Company.

Protection

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 because 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 legal/ professional advice about the procedure, etc.

A Whistle Blower may report any violation of the above clause to the chairperson of the Audit Committee, who shall investigate into the same and recommend suitable action to the management. 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.

Confidentiality

The Whistle Blower, Ethics 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
- Not to keep the papers unattended anywhere at any time
- Keep the electronic mails/ files under password
- Adhere to such other practices to ensure confidentiality throughout, including post completion of the investigation process

Decision

If an investigation leads the Ethics Officer/ Chairperson of the Audit Committee to conclude that an improper or unethical act has been committed, the Ethics Officer/ chairperson of the

Audit Committee 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 because 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 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 of unethical and improper practices or about alleged wrongful conduct of the Subject to the Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

Reporting

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

Communication

A Whistle Blower Policy cannot be effective unless it is properly communicated to 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's report 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 not less than 8 (eight)years or such other period as specified by any other law in force, whichever is more.

A quarterly report about the functioning of the Vigil Mechanism shall be placed before the Audit Committee. A quarterly status report on the total number of complaints received if any, during the period with summary of the findings of and corrective steps taken should be send to the chairperson of the Audit Committee of the Company and thereon to the Board of Directors. The Audit Committee of the Company shall be responsible for the administration, interpretation, application and review of this Policy.

Amendments and modifications

The Board of the Company reserves the right to modify and/or amend this Policy at any time.

The amendments shall also be published on the official website of the Company.

In case any amendment/clarification/notification/circular prescribed by any relevant statutory authority are inconsistent with any of the clauses of this Policy, then such amendment/ clarification/ notification/ circular shall prevail over clauses of this Policy and the Policy shall be deemed to be altered/ amended/ revised to that extent, which alteration/ amendment/ revision shall be effective from the date as laid down under the amendment/ clarification/ notification/ circular issued by any relevant statutory authority.