



Navadhan Capital Private Limited

Code of Conduct

v 1.0

Proposed by	Recommended by	Approved by
Shriram Kulkarni	Business Head: Amit Biswal Product Head: Vijay Haswani	MD & CEO: Nitin Agrawal

Version History

Version	Board Approval Date	Change Details
1.0	26-Oct-2024	Original Draft

1. Introduction on purpose of the Code of Conduct

The Employee Code of Conduct lays down standards of personal and professional conduct that all employees must strive to always uphold and behave in a professional and ethical manner. The Code aims to create a positive, productive, and motivating work environment so that the employees and the Company can fulfill their mission and goals. The Code of Conduct describes the ethical standards and the norms of behavior that will guide the action of all employees. Code of Conduct of Navadhan Capital Private Limited (Navadhan) has been created based on The RBI's Fair Practices Code & other codes endorsed by leading NBFCs in India.

2. Rules of conduct for staff

All employees have a responsibility to be personally responsible and accountable for their own performance, behavior and attendance in the workplace, undertake their duties and behave in a manner that is consistent with the provisions of the Code of Conduct for staff, report any departure from the Code of Conduct by themselves or others, comply with Navadhan policies and procedures & promote a positive, safe and healthy environment in the conduct of their work.

2.1 Personal and professional conduct

- All employees are expected to be regular and punctual in their attendance. Managers may exercise their responsibility of approving leave, based on the leave policy of Navadhan.
- Navadhan is a well-recognized and respected organization, and employees must ensure that their appearance is neat, clean and appropriate to their area of work. A high standard of personal hygiene is always expected.
- Employees are expected to act honestly in all their duties while dealing with vendors, clients, suppliers, supervisors and fellow employees.
- If an employee is required to investigate complaints against other employees or issues affecting employees, they must act consistently, promptly, and fairly and in a timely manner. The principles of natural justice must be maintained in dealing with each investigation.
- Employees should take all possible care when using Navadhan property, goods, intellectual property and services and ensure they are used efficiently, carefully and honestly.
- Unless permission has been granted by a manager, Navadhan resources are not to be used for private purposes.
- Employees must maintain the confidentiality, integrity and security of official information for which they are responsible.
- Employees need to be aware of their record-keeping responsibilities and are reminded there is a legal requirement to adhere to proper records management practices and procedures.
- Employees must not remove documents from official files. They are checked records, and must be complete, up-to-date and capable of providing organizational accountability when officially scrutinized.
- Employees must not damage, dispose of or in any other manner interfere with official documents or files. The destruction of records may only take place in accordance with a disposal and retention schedule, which has been approved by the Leadership team.
- Employees must not access information which they are not authorized to access or use and must not allow any other person access for any reason.
- Employees must take all reasonable precautions, including password maintenance and file protection measures to prevent unauthorized access and have an obligation to maintain the security and confidentiality of the information systems over which they have responsibility or control and that are owned or used by agreement.
- Employees should not accept a gift, secret commission or a benefit from a person or organization outside Navadhan if the intent of the gift or the benefit is to induce the employee to waive or reduce requirements or to extend a financial or other benefit to a person or organization outside Navadhan to the detriment of Navadhan interests. Gifts of a nominal value generally used for promotional purposes by the donor, or moderate acts of hospitality may be accepted by employees.
- No employee shall elicit the improper influence or interest of any person to obtain promotion, transfer or other advantage.
- While employees can contribute to public debate on social issues there are some circumstances in which public comment is inappropriate. Public comment by employees should not imply that the

comment, although made in a private capacity, is in some way an official comment by Navadhan. The employee may only disclose official information, with due regard to confidentiality, in order that it is in their official capacity and duties.

- Employees should perform the duties associated with their position to the best of their ability, diligently, impartially and conscientiously. In the performance of their duties, employees should comply with administrative policies, fulfil their Equal Employment Opportunity and Occupational Safety & Health obligations, strive to keep up to date with advances and changes in the knowledge and the professional and ethical standards relevant to their areas and expertise, maintain adequate documents to support decisions made, treat all persons with courtesy and sensitivity to their rights and provide all necessary and appropriate assistance, not take or seek to take improper advantage of any official information gained in the employment with Navadhan
- Employees should not harass or discriminate against employees or in work practices on the grounds of sex, pregnancy, race (including color, ethnic background or national identity), marital status, disability, sexual preference, political or religious belief, or age and MUST act responsibly when becoming aware of any unethical behavior or wrongdoing by any employee. Such information should be forwarded to the Grievance Redressal Committee.
- Employees should not perform any act or omission that is likely to have a detrimental effect on their work performance and that of other employees and clients. Accordingly, employees should not be under the influence of alcohol or other intoxicated substances while they are at work or at work functions.
- Employees must notify the manager if the taking of, or failure to take, prescribed medication is likely to affect their performance and/ or affect the safety of any person at the workplace. This is to ensure workplace safety is not jeopardized and that any performance impact is properly managed. It is the responsibility of employees to follow the directions/ precautions for any drugs prescribed by a health professional for individual use and/ or commercially available preparations that may impact their capacity.
- Employees are responsible for carrying out and complying with the Navadhan policies and procedures and legislation. It is acknowledged that employee views, on matters, may differ from Navadhan, however such views must not either interfere with the performance of an employee's duty or prevent the employee from supporting Navadhan's objectives.
- Employees must comply with any lawful instruction given by any person having authority to make or give such an instruction.
- Bullying is unreasonable behavior that is directed against an individual or group by another individual or group and is derived from the misuse of power over the target of the behavior. This may include verbal abuse, shouting, excluding or isolating behavior, deliberately withholding information vital for effective work performance, giving employees impossible assignments & physical abuse. Bullying is an unacceptable conduct within Navadhan and all reported incidents will be investigated. Managers who become aware of serious breaches of policy must immediately notify the Grievance Redressal Committee.
- Discrimination is unacceptable conduct within Navadhan and all reported incidents will be investigated by the Grievance Redressal Committee.
- Harassment and discrimination form part of a continuum of unacceptable behavior that can include sexual assault, stalking and harassing phone calls, some of which are also against criminal law, which means the police may prosecute anyone who commits such acts.
- Racial and religious vilification is conduct that incites hatred against, serious contempt for, or revulsion or severe ridicule against a person or group on the grounds of racial identification or religious belief or activity. Racial and religious vilification is a form of harassment and discrimination and is unacceptable conduct in Navadhan. All reported incidents will be investigated by the Grievance Redressal Committee.
- Navadhan is committed to providing a safe and healthy workplace for all employees and visitors. However, employees have a responsibility to make the workplace a safe and healthy place for all concerned, as far as reasonably practical.
- Employees must continually strive to improve their professional competence, maintain their knowledge and encourage the development of their skills and competence of associates.

- Upon termination of employment the employee will return all correspondence, documents, data, information, equipment and things, including copies thereof, belonging to the employer that may be in the employee's possession, custody or control.
- Employees are not permitted to speak with media representatives without first receiving clearance from the Leadership team.
- Employees must not deliberately misuse Navadhan equipment, assets, or the services of other Navadhan personnel. When using Navadhan equipment, employees are required to follow the instructions provided to avoid personal injury and/ or maintenance and replacement costs. Examples of misuse include copying computer software programs regardless of whether the programs are protected by copyright, use of the Navadhan letterhead paper or postage when corresponding on personal or other matters not directly related to Navadhan, unauthorized use of the Navadhan logos, falsifying, manipulating or destroying business records without specific authorization
- It is expected that as a first step, employees will attempt to resolve the issues between themselves. Where this is not appropriate or does not result in a satisfactory resolution the employees must report the issues to the Grievance Redressal Committee.

2.2 Code of Conduct within the operational framework

At the time of inducting new employees, the Code is introduced to them, and they are trained on how to treat customers, as well as appropriate and inappropriate workplace behavior.

- When any visitor, from banks and other lending agencies, senior staff & auditing staff visit the borrowers/center, the branch staff is required to manage the visits well and by causing the least inconvenience to the borrowers.
- Navadhan will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to our notice).
- Staff must strictly adhere to the procedures, policies, and methods established by the organization.
- Staff should not conduct personal business or establish business relationships with the clients.
- Staff should never accept gifts from clients.
- Credit should be granted with attention first to the moral reliability (willingness to pay) of the client, second to the capacity of the client to generate the funds to execute the appropriate repayment in accordance with their current individual cash flow.
- Always demand that the loans are paid on the exact date agreed upon and that the money comes from the client, not someone else. Don't allow the client to fall into the debt trap of paying a loan by taking another loan.
- Understand that credit is a service to which one agrees under the observance of certain requirements; never look at it as a favor you are doing for the clients, nor vice versa.
- Support the financing of micro-businesses solidly based in reality; don't do it based on illusions or ideals
- Never recommend the granting of a loan to clients with known financial problems
- Under no circumstances do staff deal with or recommend credit operations with clients who are related to you. Always request that a different loan officer completes the loan evaluation.
- Never generate false expectations in your customers.
- Keep in mind that it's preferable not to recommend or present a weak credit operation than to later have to deal with the recovery of credit. Your responsibility for the credit ends only with its total recovery
- It is irresponsible to recommend a loan without fully evaluating the client.
- Never agree to favors with political, religious, social, or community people or organizations that would alter the free decision and action of the clients.
- Establish long-term relationships with your clients with a focus on the development of their business.

3. Employee rights

3.1 Right to fair & unbiased treatment

Employees have the right to be treated fairly, with dignity and with respect for their individual circumstances. Navadhan will make sure that people are treated in a non-discriminatory way and challenge any behavior that may be classified as inappropriate or unfair. Every employee has the

responsibility to refrain from participating in behavior that is or could be perceived to be disrespectful in nature.

3.2 Right to respectable work conditions

At Navadhan, the physical health of the employees is not endangered, and morals are safeguarded. Proper illumination and ventilation will be available at the workplace. Employees are provided with a personal accident insurance program.

3.3 Right to social security benefits

Navadhan provides coverage to its staff under the Employee State Insurance scheme. Employees are also eligible for Provident Fund and Gratuity benefits as applicable.

3.4 Right to perform laid down duties without undue interference

The employee will be given the necessary freedom to operate within the laid down guidelines. In the event of any undue interference from any of the staff, the employee has the freedom to represent the issue to higher levels.

3.5 Right to be trained, to grow and develop

Navadhan will ensure that employees undergo an orientation program which would familiarize all employees with the different functions. As and when changes happen within the organization, employees will be updated on new knowledge and skills to be acquired to strengthen their core competencies. This will ensure that employees will be made more effective in their present responsibility and be better qualified for another responsibility within Navadhan.

3.6 Right to raise grievances, to escalate issues and complaints

Navadhan has an established grievance procedure system. The objective of the Grievance Procedure is to settle grievances as far as possible at the first supervisory level, or if proceeded further, as quickly and in as fair a manner as possible.

4. Behavior towards clients

- Staff must use courteous language, maintain decorum and are respectful of cultural sensitivities during all interactions with clients
- Staff must not indulge in any behavior that in any manner would suggest any kind of threat or violence
- Staff should not contact the clients at odd hours or persistently bother the borrower by calling him/ her before 9:00 a.m. and after 6:00 p.m.
- Staff should not Harass the relatives, friends, or co-workers of the borrower
- Staff should not publish the name of the borrower.
- Staff should not use or threat of use of violence or other similar means to harm the borrower or borrower's family/ assets/ reputation
- Staff should not mislead the borrower about the extent of the debt or the consequences of non-repayment
- Staff will not visit clients at inappropriate occasions such as bereavement, sickness etc. to collect dues
- A valid receipt for each payment received from the borrower should be provided

5. Behavior towards the community and the environment

It is the Company's policy to protect the environment and safeguard the health and safety of employees. The Company conducts its operations to avoid or minimize any possible adverse impact on the environment and expects all employees to obey those laws that are designed to protect the environment.

6. Commitment to clients

- I will treat our clients in a kind and professional manner.
- I will be courteous and friendly in speaking and in my behavior
- I will introduce myself to the client and tell him my job title and experience.
- I will keep the client's account confidential. I won't discuss the account in public places.
Customer Service
- I will commit to excellent service and ask customers to tell me if I am not meeting their expectations.
- I will treat everyone in a courteous manner; rudeness is never acceptable.
- I will act when I recognize that the customer's expectations have not been met.

- I will remember customers are not an interruption of my work; they are the reason I am here.
- I will find someone else to meet a request if I am unable to do so.
- I will introduce other staff to customers when a hand-off occurs and explain that the person will provide excellent service.
- I will always strive to meet a customer's needs by using HEAL- H: Hear them out E: Empathize A: Apologize ("I'm sorry we did not meet your expectations.") L: Leap into action to solve the problem

7. Commitment to Co-workers

- In verbal and non-verbal communication, I will treat co-workers respectfully and professionally by listening and avoiding defensiveness.
- I will respond promptly to any form of communication.
- I will report to work as scheduled. I will communicate delays to supervisor/ reporting manager.
- I will offer to assist co-workers and other departments when needed.
- I will respectfully approach fellow employees and refrain from discipline or constructive criticism in public.
- I will discuss issues directly with co-workers and not go to other people unless the issue cannot be resolved.
- I will take responsibility for solving problems regardless of origin.
- I will be mindful and respectful of others' time and schedules. Meetings will start and end on time.
- I will be accountable when completing assignments.
- I will respect deadlines.

8. General Etiquette

- I will notice if someone appears in need of assistance and offer help immediately.
- I will not discuss staffing or internal issues with or in the presence of, clients or visitors.
- I will speak with everyone with an appropriate voice level.

9. Sanctions for Code violations

- By publicizing the Code across all levels of employees, Navadhan aims to detect corruption and code violations in an effective and timely manner.
- When an instance of violation is represented to the Ethics Committee, following a detailed investigation depending on the severity of the violation, counselling, verbal and written warnings, decreased promotion, potential, temporary suspension, termination, and legal charges shall be levied. More serious violations will result in termination of employment.