

Whistle Blower policy

Content

- I. Preamble
- II. Objectives and Scope
- III. Definitions
- IV. Framework for Receiving and Disposing of the Whistleblowing Grievances
- V. Protection of the Whistleblowers
- VI. Reporting, Decision & Documentations
- VII. Revision
- VIII. Annexure

i. Preamble

Mangal Credit and Fincorp Limited (hereinafter referred to as “MCFL” or “the Company”) is a public limited Company incorporated under the provisions of the Companies Act, 1956 having CIN L65990MH1961PLC012227 AND an RBI Registered NBFC as a “Non-Systemically Important and Non-Deposit Accepting Non-Banking Financial Company”.

This Policy is made pursuant to the regulations prescribed under Section 177(9) & (10) of the Companies Act 2013 read with the Rule 7 of The Companies (Meetings of Board and its Powers) Rules 2014.

This Policy has been formulated as part of corporate governance norms and transparency where employees, customers and other stakeholders of the Company are encouraged to refer any complaint which has not been resolved or satisfactorily resolved within the usual applicable protocols.

ii. Objectives and Scope

This policy is made with following objectives: -

1. Create a systemic internal framework to promote responsible and secure whistle blowing.
2. To encourage a transparent and fearless environment for whistle blowers.
3. To encourage the reporting of grievances against malpractices which effect negatively to the company in the short or long run suspected by the people associated with the company such as, but not limited to, financial frauds, suspect of fraud, pursuant of opportunity to commit the fraud, conflicts, misuse of the property of the company, unfair trade practices, insider trading, violation of any rights, harassment & inappropriate sharing of the key and sensitive information.
4. To protect the Whistle Blower wishing to raise a concern about irregularities within the company.
5. To create a proper mechanism to resolve the grievances raised by the whistle blowers.
6. To maintain proper records and documentations of all the grievances for future reference.
7. Ensuring that protections and protocols are in place to support people who raise Reportable Conduct;
8. To Conduct fair, unbiased, evidence-based investigations in order to substantiate or refute claims of Reportable Conduct; and
9. To implement a robust and trusted framework for escalating and addressing claims of Reportable Conduct.

The Policy is applicable to all employees of the Company, Directors, Customers, members of the public, shareholders, employees of other agencies deployed for the Supporting activities, whether working from any of the offices or any other location, contractors, vendors, suppliers or agencies

(or any of their employees) providing any material or service to the Company and any other person having an association with the Company.

iii. Definitions

Unless defined elsewhere in this Policy, the capitalized terms used in this Policy shall have the meanings ascribed to them herein below:

- (a) **“Audit Committee or Committee”** means a committee of the Board of Directors of the Company constituted under provisions of the RBI Directions and the Companies Act, 2013.
- (b) **“Board”** means the Board of Directors of the Company constituted under provisions of the Companies Act, 2013.
- (c) **“Policy”** or **“This Policy”** means, Whistle blower policy.
- (d) **“Employee”** means all the present employees and Directors of the Company.
- (e) **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy. This whistle-blower has come to the decision to make a disclosure or express a genuine concern/grievance/allegation, after a lot of thought.
- (f) **“Whistle/Vigilance Officer”** means an officer of the company designated by Competent Authority 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.
- (g) **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity with respect to the Company. Protected Disclosures should be factual and not speculative in nature and must contain as much specific information as is possible to allow for a proper assessment of the concern.
- (h) **“Subjects”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

iv. Framework for receiving and disposing of the whistleblowing Grievances:

Below mentioned framework shall be followed for receiving of the whistleblowing Grievances:

1. The Company Secretary of the Company will act as a vigilance officer.
2. All the grievances or the protected disclosure shall be reported in writing to the vigilance officer by the complainant as soon as possible after the Whistle Blower becomes aware of the same (*in the template given in Annexure 1*) so as to ensure a clear understanding of the issue raised.

3. Such protected disclosure shall be sent through email with subject “Protected disclosure” as well as in the form of secured envelope super-scribed as “Protected Disclosure” to the office of Vigilance officer.
4. On receipt of the Protected Disclosure the Vigilance Officer shall maintain and preserve records of the Protected Disclosure and also ascertain from the Whistle Blower whether he was the person who made the Protected Disclosure or not.

The record will include:

- (a) Brief facts of the said case of grievance;
- (b) Whether the same Protected Disclosure was raised previously on the same subject and if so, the outcome thereof;
- (c) Details of action taken by the Vigilance Officer for processing the Protected Disclosure;
- (d) Findings / recommendations of the Vigilance Officer /Chairman of the Audit Committee /other action(s).
- (e) The Vigilance Officer, may call for further information or particulars from the Whistle Blower.

Below mentioned process will be followed to dispose the Grievances received:

1. All Protected Disclosures reported under this Policy will be thoroughly and seriously investigated by the Vigilance Officer, under the authorization of the Chairman of the Audit Committee.
2. The Chairman of the Audit Committee or the Vigilance Officer may at their own discretion consider involving any investigators or investigating agency for the purpose of investigation of the concerned matter.
3. The decision to conduct an investigation into a Protected Disclosure by itself is not an acceptance of the accusation by the Authority. It is to be treated as a simple fact-finding process because the outcome of the investigation may or may not support accusation, unless there are compelling reasons not to do so.
4. The Subject(s) will be given reasonable opportunity of being heard their parts during the investigation. No allegation of wrong doing against a subject shall be considered as maintainable unless there is good evidence in support of the allegation or accusation.
5. The Subject(s) shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.
6. The investigation procedure may include:
 - a. Obtaining legal or expert view with respect to the Protected Disclosure;
 - b. Seeking further explanation from the Subject(s) or request for submissions from them;

- c. Calling for any information / document/explanation from any employee of the Company or any other person(s) as may be deemed appropriate for the purpose of conducting an investigation.
7. The Subject(s) are expected to cooperate with the investigator and not interfere or obstruct with the investigation process.
8. Based on a thorough examination of the findings, the Vigilance Officer shall submit a report to the Chairman of the Audit Committee on monthly basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
9. If an investigation leads the vigilance officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Management shall recommend appropriate disciplinary or corrective action to the Chairman of the Audit Committee for his consideration and approval.
10. 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 whistle blower along with all the concerned persons in the Company to avoid repetition of same frauds or misconduct

The above-mentioned process will be completed within 60 working days from the receipt of the disclosures and final findings/results of the investigations will be submitted to the audit Committee within the given period to conclude the matter and to take final decision as required.

The details of establishment of Vigil mechanism shall be disclosed by the Company on the website and in the Board's report to the stakeholders.

v. Protection of the Whistle Blower:

The Whistle Blower(s) under this Policy are entitled to adequate protection provided that Protected Disclosure is made in good faith and the Whistle Blower has reasonable information or documents in support thereof and no disclosures are made for personal gain or on account of animosity against the Subject(s).

The protection will include the following:

1. Identity of the Whistle Blower will not be disclosed to any person other than person involved in the investigations except in cases where the Whistle blower turns out to be vexatious or frivolous and action has to be initiated against the Whistle Blower.
2. The vigilance officers shall maintain complete confidentiality/ secrecy of the matter, not discuss the matter in any informal/social gatherings/ meetings, not keep the important

documents as such available for the said matter unattended anywhere at any time, keep the electronic mails/files under password.

3. Complete secrecy and confidentiality shall be maintained regarding such matters covered under this policy.
4. Complete protection will 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 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.

Any other Director/ Employee/ other stakeholder assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

If at any stage of investigation, it is found that any complaint is not made in good faith as assessed such by the Audit Committee shall be viewed seriously and the Whistle Blower shall be subject to disciplinary action as per the Rules / certified standing orders of the Company.

This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

vi. Reporting, Decision & Documentations:

The Vigilance Officer shall submit a consolidated report covering details of all Protected Disclosures to the Audit Committee together with the results of investigations and an update on the actions taken by the management at least once a year.

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

vii. Appointment of Principal Officer:

MCFL shall designate a senior employee as 'Principal Officer' (PO) who shall be located at the Head/Corporate office and shall be responsible for this policy. PO shall monitor the compliance of this policy and report to management in case of any conflict.

viii. Revision

This Policy will be reviewed by the Board and Audit Committee on periodic basis to evaluate the same in relation to the applicable laws in force and will be updated accordingly. Modifications, if any, recommended by the Audit Committee of the Board shall be put up to the Board for approval.

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 Employees and Directors unless the same is notified to them in writing.

The updated policy will be effective and replace the original policy from the date of approval.

Approved by Board on 12.08.2021

For and on behalf of Board of Directors of
Mangal Credit & Fincorp Limited
Director

Date: August 12, 2021.

Annexure 1 - Template for Reporting

Please select the applicable incident type(s) from the list below that best describes the issue(s) you are reporting. Please note that multiple issues can be selected

1. Misappropriation of company assets or resources
2. Conflict of interest
3. Inappropriate sharing of confidential information
4. Financial fraud of any nature
5. Violation of gifts and entertainment policy
6. Non-adherence to safety guidelines
7. Inaccurate financial reporting
8. Bribery & Corruption
9. Insider trading including instances of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)
10. Other forms of Harassment – Victimization, Bullying, Discrimination etc.
11. Social Media Usage
12. Misuse of authority
13. Environment, health and safety
14. Concurrent employment
15. Others

Please provide name, designation and department of the person(s) involved?

- (a) Name
- (b) Department
- (c) Designation

When did the incident occur? (Please provide tentative date if you do not know the exact date)

Please confirm the location of the incident

How did you find out about this incident?

How long has this been occurring for?

- a. Less than a month
- b. 1-6 months

- c. 6-12 months
- d. Greater than 12 months

Please provide a detailed description of the incident.

To enable your company to act on your complaint, you are requested to provide specific information. Where possible, please include names, location, date, time etc. Please note that this field is limited to 5,000 characters.

Do you have any evidence in support of your allegations?

- Yes
- No

Is anyone else aware of this incident?

- Yes
- No

Is there any additional information that would facilitate the investigation of this matter?

- Yes
- No

Have you reported this incident to anyone in the company?

- Yes
- No

Date: _____

Location: _____

Name of the Person reporting (optional): _____

Contact Information : _____

Annexure 2 - Process of compliant

The process is presented for ease of reference:

