

MUDRA FINANCIAL SERVICES LIMITED

VIGIL MECHANISM POLICY

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A. Preamble

- a) The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.
- b) The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- c) Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism:
 - Every listed company;
 - Every other company which accepts deposits from the public;
 - Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.
- d) Further, Regulation 22 of the Listing Regulation, *inter alia*, provides for a mandatory requirement for all listed companies to establish a mechanism called the 'Whistleblower Policy' for directors and employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.
- e) Accordingly, the Company has formulated the Vigil Mechanism Policy (the "**Policy**") with a view to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

B. Definitions

- a) "**Audit Committee**" means the Audit Committee reconstituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with the Regulation 18 of the Listing Regulations with the Stock Exchanges.
- b) "**Company**" means Mudra Financial Services Limited.
- c) "**Employee**" means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.
- d) "**Investigators**" mean those persons authorised, appointed, consulted or approached by the Ethics Officer/Chairman of Audit Committee and include the Auditors of the Company.

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- e) **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- f) **“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.
- g) **“Whistleblower”** means an Employee/Director making a Protected Disclosure of any unethical activity that they have observed under this Policy.

C. The Guiding Principles

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- a) Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized;
- b) Treat victimization as a serious matter including initiating disciplinary action on such person(s);
- c) Ensure complete confidentiality of the Whistleblower;
- d) Not make any attempt to conceal evidence submitted in the Protected Disclosure;
- e) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made; and
- f) Provide an opportunity of being heard to the persons involved especially to the Subject.

D. Eligibility

All Employees/Directors of the Company are eligible to make Protected Disclosures under the Policy. The Policy is also applicable to trainees, auditors, third party consultants or service providers and vendors of the Company.

E. Coverage of policy

The Policy covers malpractices and events which have taken place/suspected to take place. Some examples would be:

- a) Unauthorized Access
- b) Sexual advances
- c) Inducement
- d) Bribe

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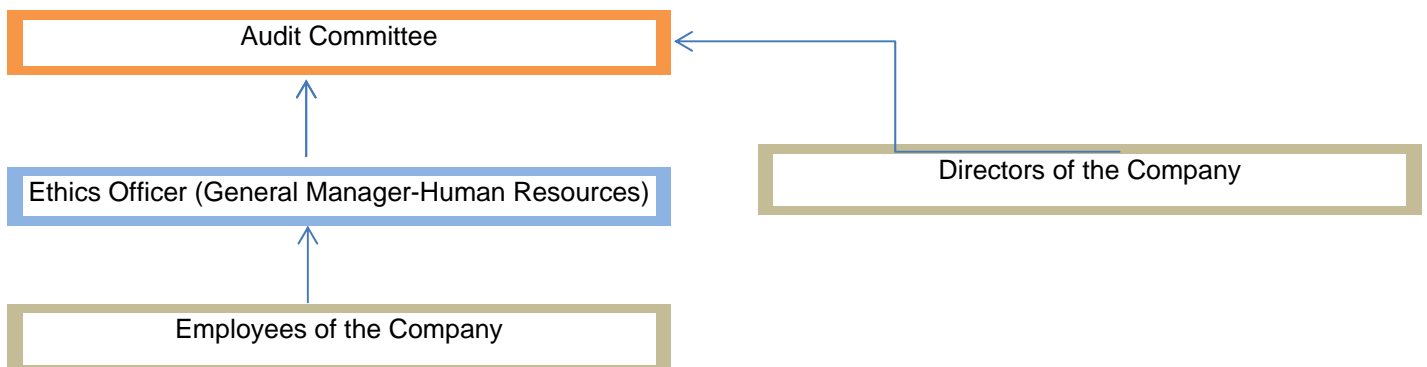
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- e) Breach of trust and contract
- f) Negligence causing substantial and specific danger to public health and safety
- g) Manipulation of company data/records
- h) Financial irregularities, including fraud, or suspected fraud
- i) Criminal offence
- j) Theft of confidential/propriety information
- k) Deliberate violation of law/regulation
- l) Wastage/misappropriation of company funds/assets
- m) Any other unethical, biased, favoured, imprudent event he/she becomes aware of that could affect the business or reputation of the Company.

F. Disqualifications

- a) 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.
- b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or with a *mala fide* intention.
- c) Whistleblowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistleblowers who make 3 (three) or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy or may be reprimanded. In respect of such Whistleblowers the Company through the Audit Committee would reserve its right to take or recommend appropriate disciplinary action.

G. Structure



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H. Procedure of reporting

- a) All Protected Disclosures concerning financial/accounting matters and those concerning the Ethics Officer and employees at the levels of General Manager and above should be addressed to the Chairman of the Audit Committee as follows:
 1. by email to mudrafinancial.1994@gmail.com or
 2. by letter addressed to the Audit Committee, marked "Private and Confidential" and delivered to the Chairman of the Audit Committee, at Mudra Financial Services Limited, 3rd Floor, Vaastu Darshan, 'B' Wing, Azad Road, Andheri (East), Mumbai - 400 069.
- b) In respect of all other Protected Disclosures, concerning other employees should be addressed to the Ethics Officer as follows:
 1. by email to sarkar.biswanath@gmj.co.in or
 2. by letter addressed to the Ethics Officer, marked "Private and Confidential" and delivered to Mudra Financial Services Limited, 3rd Floor, Vaastu Darshan, 'B' Wing, Azad Road, Andheri (East), Mumbai - 400 069.
- c) If a Protected Disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Ethics Officer, the same should be forwarded to the Chairman of the Audit Committee or the Ethics Officer for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.
- d) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- e) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistleblower.
- f) The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistleblower. The Chairman of the Audit Committee or the Ethics Officer, as the case may be, shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

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- g) The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistleblowers.

I. Procedure of Investigation

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Officer of the Company/ the Chairman of Audit Committee who will oversee the investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should rescue himself/herself and the other members of the Audit Committee should deal with the matter on hand.
- b) The identity of a Subject and the Whistleblower shall be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- c) The Ethics Officer / Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of the investigation.
- d) The decision to conduct an investigation taken by the Ethics Officer / Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistleblower that an improper or unethical act was committed.
- e) 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.
- f) Subjects shall have a duty to co-operate with the Ethics Officer / Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g) Subjects have a right to consult with a person or persons of their choice, other than the Ethics Officer or Investigators or members of the Audit Committee and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h) Subjects 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.
- i) 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

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wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

- j) 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.
- k) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

J. Protection to the Whistleblower

- a) No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers.
- b) Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower's right to continue to perform his duties/functions including making further Protected Disclosure.
- c) The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.
- d) A Whistleblower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- e) The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Ethics Officer or the Audit Committee (e.g. during investigations carried out by Investigators).
- f) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

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K. Investigators

- a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Ethics Officer/ Audit Committee when acting within the course and scope of their investigation.
- b) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- c) Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee which establishes that:
 - The alleged act constitutes an improper or unethical activity or conduct, and
 - Either the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is not worthy of management review. Provided that such investigation itself should not be undertaken as an investigation of an improper or unethical activity or conduct.

L. Secrecy/ Confidentiality

The Whistleblower, the Subject, the Investigators and every other person involved in the investigations shall at all times:

- a) Maintain complete confidentiality/ secrecy of the matter
- b) Not discuss the matter in any informal/social gatherings/ meetings
- c) Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d) Not to keep any documents pertaining to the investigation unattended anywhere at any time
- e) Ensure that all electronic mails/files are password protected

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit by the Audit Committee.

M. Offences & Penalties

- a) Where the Audit Committee, at the time of examining the information submitted by the officials concerned, is of the opinion that the officials concerned, without any reasonable

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cause, has not furnished the information within the specified time or intentionally (*mala fide*) refused to submit the information or knowingly given incomplete, incorrect or misleading or false information or destroyed record or information which was the subject of the disclosure or obstructed in any manner in furnishing the information, it shall impose such penalty as it may deem fit depending upon the nature of fraud or unethical act done by that person.

- b) Provided that no penalty shall be imposed against any person unless he has been given an opportunity of being heard.

N. Decision

If an investigation leads the Ethics Officer/Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Ethics Officer / Chairman of the Audit Committee deems fit. It is clarified that 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.

O. Reporting

The Ethics Officer shall submit on regular basis, report of the number of Protected Disclosures received under the Policy together with the results of investigations (if any) to the Audit Committee.

P. 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 minimum period of 7 (seven) years.

Q. 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 Employees/Directors unless the same is notified to the Employees/Directors in writing.

R. Annual affirmation

- a) The Company shall annually affirm that it has not denied any personnel access to the Committee and that it has provided protection to Whistleblower from adverse personnel action.

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- b) The affirmation shall form part of Board's report as attached to the Annual Report of the Company.
- c) The Company Secretary and the Ethics Officer shall present a status report to the Audit Committee every quarter on the number of incidents reported, investigated and disposed off.