



M Power Micro Finance Private Limited (Vigil Mechanism Policy)

Policy on Reporting Suspected Legal violations fraudulent or irregular conduct of an employee of the Company ("Vigil Mechanism" Policy)

1. Introduction

M Power Micro Finance Pvt ltd upholds the highest standards of Integrity in all its employee and business interactions. Each one of us should work with absolute honesty and professional integrity, creating an environment of trust and transparency.

This policy advises employees of the process to follow and encourages them to report suspected legal violations, fraudulent or irregular conduct of an employee or business associate of the Company. Such incidents, if not reported would breach trust and endanger the Company's reputation. The employee raising the issue is referred to as a 'Whistle Blower' in common corporate language.

Employees raising a concern or report will be provided safeguards for protection from reprisals or victimization for reporting suspected concerns in good faith. Harassment or victimization of the complainant will attract severe disciplinary action. Every effort will be made to protect the identity of the complainant subject to legal constraints.

2. Objectives

The policy is committed to adhere to the highest standards of ethical, moral, legal conduct of business operation

A Vigil Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the codes of conduct or policies. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provides for direct access to the Vigilance & Ethics Officer. No Director, Officer or Employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence.

This Policy aims to provide a channel to the Directors, Officers and Employees to report violations and ensures deviations from the Company's Business Conduct and Values are dealt in a fair and ethical manner.

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 against people in authority and/or colleagues in general.



3. Administration

The HR / Sr. Management are responsible for the implementation and administration of this policy.

4. Eligibility

All employees and directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

5. Whistleblower

A whistleblower is a person or entity disclosing a violation or suspected violation. Whistleblowers may be employees, applicants for employment, students, patients/clients, vendors, contractors or the general public.

Whistle blowers are “reporting parties”; they are not to act on their own in conducting investigative activities, nor do they have a right to participate in any investigative activities other than as requested by investigators. Likewise, whistleblowers do not determine the appropriate corrective or remedial action that may need to be taken.

Whistleblowers should refrain from attempting to obtain evidence for which they do not have a right of access. Such improper access may itself be considered a violation of the Code of Ethics.

6. No Retaliation

No Director, Officer or Employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Policy is intended to encourage and enable employees and others to raise serious concerns within organisation prior to seeking resolution outside the organization.

7. Scope of the Policy

This policy is intended to cover serious concerns that could have a large impact on the Company such as action (actual, planned or suspected) that could lead to the following:

- A violation of a federal law or regulation
- A violation of the laws or rules of the state or any jurisdiction in which the Company operates.
- Violations of internal accounting controls or actions that may lead to incorrect or fraudulent financial reporting.



- The mismanagement or gross misuse of resources entrusted.
- Any violation of the Company's Code of Ethics or actions that otherwise amount to serious improper conduct.
- Any attempt to conceal a potential violation or evidence of a potential violation.

Any retaliation for any report, complaint, allegation, or other disclosure made pursuant to this policy.

8. Definitions

Definitions of some of the key terms used in the mechanism are given below:

(i)“**Alleged wrongful conduct**” shall mean violation of law, infringement of Company's rules & policies, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

(ii)“**Board**” means the Board of Directors of the Company.

(iii)“**Code**” means the Code of Conduct as mentioned in Clause No. 6 of this policy.

(iv)“**Company**” means the M Power Micro Finance Pvt Ltd and all its offices.

(v)“**Vigilance & Ethics Officer**” means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Board for its disposal and informing the Whistle Blower the result thereof.

(vi)“**Employee**” means all the present employees and whole time Directors of the Company (whether working in India or abroad).

(vii)“**Investigators**” Selected employees or third parties charged with conducting investigations to ascertain the credibility of such whistle blower complaints.

(viii) “**Protected Disclosure**” means any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the Company.

(ix) “**Subject**” means a person against whom or in relation to whom the Protected Disclosure is made or evidence is gathered during the course of an investigation.

(x) “**Whistle blower**” or “**Complainant**” is a Directors, Officers and Employees of the company who makes a Protected Disclosure under this policy and referred in this policy as Complainant.



9. Code of Conduct

The Directors, Officer and Employees of this organization are expected to adhere to high standards of ethical conduct. Although it is impossible to describe all conduct that is addressed, this policy specifically requires the following:

(i) Dedication to the Company's Mission, Vision and Core Values and recognition that the chief function of the Company at all times is to serve the best interests of our Company.

(ii) The responsible and prudent management of the Company's funds and assets.

(iii) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

(iv) Full, fair, accurate and timely disclosure of relevant facts in all reports and documents dealing with matter of program service, governance and business administration.

(v) Compliance with all applicable terms and conditions of employment & rules thereof, governmental laws, rules and regulations.

(vi) Treatment of all persons with respect, equity and fairness regardless of race, religion, gender, ability, age or national origin.

(vii) Respect and protection of confidential and/or privileged information to which we have access in the course of our duties.

(viii) Prompt internal reporting of code violations to an appropriate person or persons within the organization.

(ix) Personal accountability for adherence to this Code of Conduct.

10. Reporting Responsibility

All protected disclosure should be reported in writing by the Complainant as soon as possible not later than 30 days after the Complainant becomes aware of the same to the Vigilance & Ethics Officer.:

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

D) Name : K. V. Balaji

Designation : Director & COO

Address : B-212, Arjun Centre, Plot No. 231, Govandi Station Road, Govandi, Mumbai – 400088



Phone No. : 09978996245

Email Id : kvb@mpowermicro.com

II) Name : Gautam Naikankatte

Designation : Sr. Manager – Human Resource

**Address : 3rd Floor Amin Chamber, 85-B Sampatrao Colony,
Alkapuri, Vadodara -390007.**

Phone No. : 09898800049

Email Id : gautam@mpowermicro.com

Employees may report the issue in the following ways:

- Email : Send email directly by name to the above individual.
- Post : Write a letter addressed to the concerned individual, marking the envelope confidential.
- Phone : Call the individual and report the issue directly verbally.

11. Handling of Reported Violations

The Vigilance & Ethics Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within 7 (seven) business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

12. Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code of Ethics must be acting in good faith and have reasonable grounds for believing the

Information disclosed indicates a violation of the Code of Ethics. Good faith means that a person has a reasonably held belief that the disclosure made is true and has not been made out of malice, jealousy, for personal gain or for any ulterior motive. The intentional filing of a false report, whether orally or written, is itself considered a violation of the Code of Ethics.

13. Anonymous Reporting

The employee reporting the issue should declare his / her identity while making the report. Anonymous complaints will not be entertained. As stated, Employees raising a concern or report will be provided safeguards for protection from reprisals or victimization for reporting suspected concerns in good faith. Harassment or victimization of the complainant will attract severe disciplinary



action. Every effort will be made to protect the identity of the complainant subject to legal constraints.

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15. Investigation

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance & Ethics Officer will carry out an investigation either himself/herself or by involving any other officer of the Company.

The Vigilance & Ethics Officer, 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 Vigilance & Ethics Officer deems fit.

The Vigilance & Ethics Officer 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.

16. Decision and Reporting

If an investigation leads to a conclusion that an improper or unethical act has been committed, Vigilance & Ethics Officer 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 Board.

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



17. Confidentiality

The Complainant or Vigilance & Ethics Officer, the Subject and everybody 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.

18. 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 7 (seven) years or such other period as specified by any other law in force, whichever is more.

19. Acknowledgement and Distribution of Policy

As it is the intent of the Company to strive for high ethical conduct from all board and staff, the Board of Directors is particularly sensitive to individuals who hold management and governance positions of trust and confidence in fulfilling the mission and goals of the Company. The sensitive positions include all Employees, Officers and members of the Board of Directors. Therefore, each of the Company's staff will receive a copy of this Policy, and any subsequent updates, and will be requested to acknowledge and sign this Code by 31st March' each year. This acknowledgement will be kept on file in the personnel files of each staff member and in the Board files for each Board Member.

20. 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, Officers and employees unless the same is not communicated in the manner described as above.
