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**MRCC Group Legal Handbook**

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1. Purpose

The purpose of this Handbook is to provide a structured framework to ensure compliance with legal and corporate governance standards across the organization. It aims to promote transparency, accountability, and efficiency in operations while ensuring adherence to local regulations. This Handbook is crucial for maintaining ethical business practices, reducing legal risks, and supporting the long-term success and reputation of the organization.

1. Scope

This Handbook applies to all employees, departments, and stakeholders involved in ensuring legal compliance and corporate governance within the organization.

1. Importance of Legal Handbook

This Legal Handbook plays a critical role in ensuring that an organization consistently operates within the bounds of the law, safeguarding its reputation and minimizing legal risks. Key aspects of its importance include:

* **Compliance with Laws and Regulations:** This Legal Handbook ensures adherence to applicable local laws, thereby preventing legal violations that could lead to penalties, lawsuits, or reputational damage.
* **Risk Mitigation:** By outlining clear processes and guidelines, the Legal Handbook helps identify and address potential legal risks before they escalate, providing a structured approach to risk management.
* **Operational Efficiency:** The Handbook streamlines legal review and other governance-related processes, enhancing efficiency in decision-making, reducing errors, and ensuring that legal requirements are consistently met across all departments.
* **Corporate Transparency and Accountability:** By promoting ethical business practices and transparency, the Legal Handbook helps foster trust with stakeholders, including customers, and investors, contributing to the organization's long-term success.
* **Consistency in Practices:** This Handbook ensures that legal and governance practices are applied consistently across the organization, preventing discrepancies and ensuring a unified approach to legal compliance and corporate responsibility.
* **Protection of Stakeholder Interests:** By maintaining legal integrity, this Handbook helps protect the interests of employees, customers and shareholders, , ensuring the organization remains accountable and trustworthy.

1. Legal Framework for Company Operations

The legal framework is essential to guiding our company’s operations and decision-making. It is crucial for all employees to understand the laws and regulations that affect their work. This ensures that we operate within the bounds of the law, mitigating risks and supporting long-term success.

## Importance of Legal Awareness

Legal knowledge is critical for the effective functioning of the business. Employees should be aware of key legal areas relevant to their roles and regularly update their understanding of applicable laws. This awareness:

* Prevents legal risks
* Ensure compliance with laws
* Promotes ethical decision-making across departments

To ensure this awareness, the company conducts regular initiatives, including bi-annual POSH (Prevention of Sexual Harassment) training. This mandatory training focuses on understanding the rights and responsibilities under POSH guidelines, promoting a safe and respectful workplace environment for all employees.

Additionally, legal regulations change over time, so all employees should stay informed about laws that may impact their roles. Employees are encouraged to seek advice and clarification from the Legal team for any concerns related to contracts, employment matters, or compliance with specific regulations.

## Employment and Labor Considerations

Employees in human resources and management should be aware of the critical areas of labor law that impact workplace relations. This includes:

* **Employment Contracts**: These agreements outline the terms and conditions of employment, including job roles, responsibilities, compensation, benefits, and termination conditions.
* **Wages and Working Hours**: Understanding the regulations around appropriate wages and working hours to ensure fair compensation practices.
* **Non-Discrimination**: Ensuring that employees are treated equally, regardless of characteristics such as gender, age, disability, or other personal attributes.
* **Workplace Safety and Health**: Promoting a safe and healthy work environment that protects the well-being of all employees.

## Fair Business Practices and Competition

Employees involved in strategic decision-making, marketing, and sales should be aware of the principles that maintain fair competition and ethical business conduct. This includes:

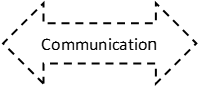
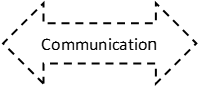
* **Anti-Competitive Practices**: Avoiding practices that unfairly reduce competition, such as price-fixing, collusion, and other market manipulation tactics.
* **Market Dominance**: Preventing the abuse of a dominant position within the marketplace to ensure fair competition.
* **Mergers and Acquisitions**: Understanding how business combinations and acquisitions are regulated to avoid monopolistic practices and ensure market fairness.

## Intellectual Property Protection

Employees working in research, development, marketing, and other strategic roles should understand the importance of intellectual property (IP) protection. This includes:

* **Patents**: Safeguarding innovations and inventions.
* **Trademarks**: Protecting brand names, logos, and other identifiers that distinguish the company’s products or services.
* **Copyrights**: Ensuring the protection of creative works, including written content, art, software, and multimedia.
* **Trade Secrets**: Keeping sensitive business information confidential to maintain a competitive edge.

1. Legal Team Structure



1. Roles & Responsibility

|  |  |  |
| --- | --- | --- |
| Role | Department | Responsibilities |
| COO/Senior Management | Top Management | * The COO/senior management approves any legal matters that have a significant strategic, operational, or business impact. This includes decisions related to mergers, acquisitions, major contracts, or disputes that affect the company’s broader business goals. * As the final step in the approval process, the COO/senior management will review and approve legal documents and agreements that have passed through the Finance head’s and legal team’s review. * Provide strategic direction on legal matters, ensuring alignment with the company’s operational goals and overall business strategy. * Ensure that the legal team’s activities are well-integrated with other departments, particularly in the context of operational decision-making and resource management. |
| Head - Finance | Finance | * Assess and approve any contracts, agreements, or legal matters that involve financial implications, ensuring they align with the company’s financial goals and policies. * Work closely with the Legal Team to identify potential financial risks arising from legal matters and approve strategies to mitigate those risks. * Collaborate with the Legal Team to ensure that all financial and legal matters are aligned and compliant with internal policies and external regulations. |
| Executive | Legal | * Monitor the company’s compliance with legal and regulatory requirements. Identify potential risks and provide legal guidance on how to mitigate them. * Serve as the primary point of contact for any legal inquiries within the company. Advise on a range of legal issues related to employment, intellectual property, contracts, and more. * Review, draft, and negotiate contracts and agreements to ensure that the company’s interests are well-protected. This includes liaising with internal departments to clarify terms and ensure compliance with company policies. * Address any legal disputes, whether internally or with external parties. This may include advising on settlement options or, if needed, coordinating with external counsel. * In cases of potential misconduct or legal violations (e.g., fraud, bribery, or harassment), guides internal investigations and helps the organization navigate the legal implications. * Conduct regular POSH Training and ensure awareness on the same. |
| Head - SEPG | SEPG | * Ensure internal audits are conducted regularly to assess whether the company’s operations align with legal and regulatory standards. * The team works proactively to mitigate risks that could lead to legal or regulatory violations, ensuring adherence to best practices and legal obligations. * Ensures timely and accurate reporting to regulatory bodies, documenting all compliance-related activities. * Ensures to maintain accurate records of compliance audits, assessments, and corrective actions for internal reference and external inspections. * Responsible for ensuring their department adheres to company policies, including data privacy, and for defining and implementing compliance frameworks and procedures that align with legal and industry standards. |
| Head - IT | Information Technology | * Ensure that all the vendor/client/third party agreements are vet by the legal team before sharing it any further. * Provide technical support for legal matters such as data security, intellectual property protection, and secure data storage for contracts and sensitive legal documents. * In case of a data breach or other security incidents, ensure that the incident response aligns with legal and regulatory requirements (if any) for reporting breaches within specific timeframes. * Work with legal teams to ensure that all contracts, including SLAs with vendors, contain the necessary clauses to ensure compliance with legal requirements. * Work closely with the Legal team on data privacy and confidentiality concerns, especially when it comes to storing or handling sensitive legal information. |
| Head - HR | Human Resource | * Ensure that all the vendor/client/third party agreements are vet by the legal team before sharing it any further. * Ensure that employees, contractors, and third-party vendors sign appropriate NDAs as applicable to protect confidential data and trade secrets. * Incase of any dispute or employee abscond/termination cases, inform legal team to proceed with negotiation or, if necessary, litigation in case of disputes on any contract. * Ensure the organization complies with labor laws, including working hours, minimum wage, overtime pay, and paid leave entitlements. * Ensure that background checks comply with local laws and regulations. |
| Head - Procurement | Procurement | * Ensure that all the vendor/client/third party agreements are vet by the legal team before sharing it any further. * Ensure that contractors and third-party vendors sign appropriate NDAs to protect confidential data and trade secrets. * Develop and implement standardized contract templates that comply with legal requirements, reducing the risk of non-compliance due to inconsistencies or ambiguous terms in individual agreements. * Ensure contracts include essential clauses such as payment terms, dispute resolution, intellectual property rights, confidentiality, termination conditions, and compliance with applicable laws, including international trade laws. |
| Account Manager | Sales/Presales | * Ensure that all the vendor/client/third party agreements are vet by the legal team before sharing it any further. * Provides easy resolutions on the feedback received on contracts reviewed by the legal team. * Negotiating contracts with customers, vendors, employees, and other third parties. |

1. Contract Review and Approval Process

## Step 1: Receipt of Agreement

* The Legal Team receives a copy of the contract (e.g., NDA, MSA) from the internal sales/presales teams. These agreements are typically received from external parties such as clients, or business partners.
* The internal teams submitting the contract may include the Client Handling Team, Procurement, or Business Development teams, depending on the nature of the agreement.

## Step 2: Initial Review by Legal Team

* The Legal Team conducts an initial review of the agreement. During this stage, the contract is assessed using a predefined Checklist for Contract Review that includes the following key aspects:
  + - Ensuring the contract complies with relevant laws and regulations.
    - Identifying any potential risks (e.g., financial, legal, reputational) to the organization.
    - Ensuring the terms and conditions are clear and unambiguous, such as payment terms, deliverables, timelines, etc.
* If the agreement is found to be compliant and satisfactory, it moves forward for internal approval. If there are any issues or deviations, the Legal Team marks these issues and adds comments and suggested amendments directly on the contract document.

## Step 3: Communication of Legal Feedback to Internal Team (If Any)

* Once the review is complete, the Legal Team communicates their feedback to the internal team that submitted the agreement.

This feedback may include:

* + - Clearly indicating any revisions required, such as adjustments to terms, clauses, or legal language.
    - Explaining why the changes are necessary to ensure legal compliance, risk mitigation, and alignment with organizational goals.
* The internal team is responsible for forwarding this feedback to the external party (client, or partner) and initiating the negotiation process for amendments.

## Step 4: Negotiation with External Party (If Any)

* The internal team (typically the Client Handling Team or Procurement Team) communicates the suggested revisions to the external party, either by sending the marked contract or discussing the changes directly.
* The external party may accept the changes immediately, agree to some modifications, or reject them outright.
* If the external party accepts the proposed revisions, the agreement moves toward final approval.
* If the external party rejects the changes, the internal team works with the Legal Team to address any concerns and attempt further negotiations.
* If the external party (client, partner) refuses to accept the necessary changes, and the negotiation process stalls, the issue is escalated to Senior Management as per the details mentioned below.

## Step 5: Escalation to Senior Management

* If the external party (client, partner) refuses to accept the necessary changes, and the negotiation process stalls, the issue is escalated to Senior Management.
* The escalation process can be initiated by either the Legal Team or the Client Handling Team, depending on the nature of the dispute.
* The escalation typically involves a meeting or discussion where Senior Management evaluates the situation and provides guidance on whether to proceed with the negotiation or reconsider the contract terms.
* Senior Management may also decide whether the contract is still acceptable with the current terms or if the external party’s position is too risky to proceed.

## Step 6: Senior Management Review

* Senior Management reviews the escalated contract and any unresolved issues raised by the Legal Team.

Key areas for review may include:

* + - Whether the company can accept the deviations proposed by the external party.
    - The business needs or strategic value of the agreement.
    - Whether a compromise can be reached without jeopardizing the organization’s interests.

Senior Management either:

* + - Approves the changes and instructs the Legal Team to finalize the contract.
    - Provides instructions to renegotiate specific clauses.
    - Decides to reject the contract entirely if the risks outweigh the benefits.

## Step 7: Final Approval and Execution

* After Senior Management's review and approval, the Legal Team finalizes the contract.
* If necessary, any further revisions are made, and the final version of the contract is prepared for execution.
* The Legal Team ensures that the final version reflects all agreed-upon changes and comply with internal and external requirements.
* The contract is then sent for signature to the authorized signatories.

**Contract Review Checklist**

The Legal Team will use a predefined Contract Review Checklist during the review process

Exceptions to the Contract Review Checklist

Any deviations or changes to the Contract Review Checklist require exception approval from the designated approvers listed below:

* Financial Exceptions: Any contract with significant financial deviations or implications must be approved by the Director of Finance.
* Legal Exceptions: Any exceptions to the standard contract review checklist must be approved by Senior Management.

This table format keeps the process organized and provides a clear flow with actionable steps, outcomes, and subsequent steps.

|  |  |  |
| --- | --- | --- |
| **Step** | **Action** | **Outcome/Decision** |
| 1 | Receipt of Agreement - Internal team submits the contract to the Legal Team. | Agreement is received by the Legal Team. |
| 2 | Initial Review by Legal Team - Legal Team reviews the contract for compliance, risks, and clarity. | If Compliant: no issues found  If issues/deviations found: Legal Team marks comment and sends back to internal team.  The outcome of the review will be a contract review checklist. |
| 3 | Communication of Feedback - Legal Team communicates feedback to internal team. Internal team forwards feedback to the external party (client/partner). | External party reviews the feedback and proposed changes. |
| 4 | Negotiation with External Party - External party accepts, rejects, or modifies the feedback. | If accepted: The agreement proceeds to the final approval stage (Step 7 will be followed).  If rejected: Steps 5 and 6 will be followed accordingly. |
| 5 | Escalation to Senior Management - If negotiation stalls or external party rejects changes, the matter is escalated to Senior Management. | Senior Management evaluates the situation and provides guidance. |
| 6 | Senior Management Review - Senior Management reviews escalated issues and decides on the contract. | If approved: Legal team finalizes contract.  If renegotiation is needed: Return to Step 4.  If rejected: Contract is terminated. |
| 7 | Final Approval and Execution - Legal Team finalizes the contract and prepares it for signature. | Contract signed by authorized signatories. |

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1. Documentation and Tracking

This process ensures that all legal documents are systematically reviewed, stored, and tracked for easy access and compliance with regulations at least annually or earlier as required.

* Legal documents are reviewed and approved before finalization by COO.
* Documents are securely stored in a centralized repository <http://192.168.2.4/legal>, ensuring adherence to both legal and organizational standards.
* A structured system tracks document status and ensures timely retrieval.
* Documents are retained for the required duration and disposed of or archived in accordance with legal standards when no longer needed.
* To ensure secure and controlled access to policies and procedures, the Legal Team must follow a defined Access Matrix, which is reviewed and approved by the Legal Head on a quarterly basis.
* A comprehensive list of contracts, NDAs, MSAs, Terms and Conditions and other legal documents reviewed by the Legal Team is maintained in the **LEGAL MIS** for accurate tracking and reporting.

1. First Resolution Time (FRT)

## Resolution Time and Responsibility:

The legal team is responsible for addressing all legal issues, including contract disputes, compliance violations, and potential litigation, within a defined First Resolution Time (FRT). The FRT is the time taken from the identification of the issue until the first resolution attempt or response is made. The legal team will initiate a response within 3 working days or as per need basis of the issue being sent to legal team or identified.

## Escalation and Oversight:

If an issue cannot be resolved within the set time, it must be escalated to senior management for further

## Contract Review Timelines

|  |  |  |
| --- | --- | --- |
| **Contract Type** | **Standard Review Time** | **Notes** |
| Non-Disclosure Agreement (NDA) | ≤2 days | This review time is applicable for NDAs, unless additional legal analysis or negotiations are required. |
| Master Service Agreement (MSA) | ≤ 4 days | For MSAs, the review time is slightly longer due to the complexity and broader scope of the agreement. |
| Other Contracts | Scenario based | For contracts that are more complex or contain unusual terms or provisions, the review time may be extended. The Legal Team will notify the relevant parties if there are any delays or if the review period needs to be extended. |

**Important Notes:**

* **Complex Contracts:** If the contract is complex, includes unusual terms, or requires further negotiation or clarification, the review time may be extended.
* **Unusual Clauses:** "Extra clauses" are provisions that are non-standard, unusual in nature, or have significant legal implications. This may require more time for thorough review.
* **Workload and Resources:** If the Legal Team is engaged with other high-priority agreements, this may affect the review timeline. The Legal Team will notify relevant parties in such cases and provide an updated completion timeline.

1. Procedure for Vendors:

## Vendor Agreement and Contract Procedure

The procuring team has pre-drafted NDA formats and contract templates for vendor engagement. However, minor changes can be addressed by the procuring team itself.

* + **Minor Changes:** These refer to adjustments that do not significantly alter the intent, obligations, or risk profile of the agreement. Examples include:
    - Correcting typographical or formatting errors.
    - Adjusting payment terms within pre-approved limits.
    - Updating vendor details (e.g., contact information).
    - Clarifying language without changing substantive terms.
    - Modifying timelines within reasonable limits.

NOTE: Minor changes are handled directly by the procuring team.

* + **Major Changes:** Any changes that substantially affect the terms or legal obligations, such as changes to payment terms, liability clauses, or other critical terms, will be escalated to the Legal department for review.

**Finalization:**Once terms are agreed upon and no significant deviations are present, the procuring team will finalize and execute the contract. If legal review is required, the contract will be forwarded to the Legal department for final approval.

1. Reporting and Updating

## Identifying Changes

* **Monitoring Legal Requirements:** Continuously track changes in laws, regulations, and guidelines affecting operations.
* **Reviewing Internal Processes:** Regularly evaluate internal processes through feedback, and performance reviews to identify necessary changes.

## Updating Changes

Once changes are identified, update the standard operating procedures (Handbook) as follows:

* **Revising the Handbook:** Update relevant sections to reflect new legal requirements or internal process changes.
* **Approval of Changes:** Obtain approval from relevant authorities to ensure alignment with corporate goals.
* **Communicating Changes:** Inform affected personnel through training, distribution of updated Handbook, or email notifications.

1. Risk Management

The legal team is responsible for identifying, assessing, and mitigating legal & regulatory risks across the organization. This includes evaluating risks related to compliance, contracts, and regulations, and collaborating with relevant stakeholders to implement strategies for risk reduction. The legal team maintains a risk log, which is reviewed quarterly to ensure that all identified risks are monitored and addressed.

1. Monitoring & Governance

The legal team is responsible for tracking governance related to legal requirements. To ensure continuous alignment with these requirements, the team maintains a compliance register, which is reviewed on a monthly basis.

Additionally, to monitor and assess the progress of ongoing legal work, the legal team conducts internal review meetings on a weekly basis, as needed. These meetings will focus on reviewing the status of legal tasks, addressing any ongoing legal challenges, and ensuring that deadlines and obligations are met in a timely manner.

1. Support Extended to Shared Services

The legal team provides comprehensive support to shared services across various functions, ensuring timely and effective resolution of legal matters. Examples of support include, but are not limited to:

* **Termination Matters:** Legal guidance on employee or contractual terminations, ensuring compliance with labor laws and contractual obligations.
* **Compliance Violations:** Addressing any legal issues arising from non-compliance with regulations, company policies, or industry standards.
* **Legal Litigation:** Providing legal assistance in managing and resolving litigation cases, including drafting responses, managing legal risks, and ensuring proper documentation and coordinating with external lawyers for specialized litigation support, strategy development, and representation.
* **Contractual Disputes:** legal support in disputes arising from contracts, including breach of contract.

**Security Incident**: In the event of a data breach or security incident, the legal team will not take direct responsibility for managing the incident but will support the relevant stakeholders by providing legal guidance. The final decision-making and overall responsibility will rest with senior management. The legal team’s role will involve advising stakeholders on legal requirements for compliance, breach notifications, and communication strategies. They will also assist in ensuring that any required reports to regulatory authorities or affected individuals are legally compliant. Additionally, the legal team will help navigate privacy laws, third-party obligations, and assess potential legal liabilities, offering advice on mitigating risks and preventing future incidents.

In addition to these areas, the legal team may provide support for any other legal concerns beyond those listed above. The team will prioritize support requests based on urgency and the critical nature of the issue, ensuring a responsive and efficient approach to shared services.

1. Continuous Improvement

The legal team is committed to a process of continuous improvement, ensuring that all practices, strategies, and outcomes are refined and optimized over time. This commitment is driven by lessons learned from past experiences, feedback from clients, identification of any violations or discrepancies, and proactive measures to prevent recurring issues.

Key components of the continuous improvement process include:

* **Learning from Past Experiences**: Regular reviews of past cases to identify lessons and improve future practices.
* **Client Feedback**: Actively gathering and using client input to enhance services.
* **Compliance and Violations**: Addressing violations promptly and implementing corrective actions.
* **Process Optimization**: Regularly refining workflows and adopting new technologies for efficiency.

1. Enforcement and Exception

All employees and third parties must comply with this policy. Violations may result in disciplinary action as per the defined Disciplinary Action Policy. Any exceptions to the policy require approval from the Legal team and COO.

1. Reference Templates

* Contract Review Checklist
* Legal MIS
* L&D Policy
* Compliance Register
* Access Matrix
* Data Breach Register
* Risk Register