

**MUTHOOT FINCORP Ltd**

**Whistle Blower Policy**

**Date of Last Revision and Board Approval  
01.06.2015**

## WHISTLE BLOWER POLICY

### Introduction

1. This Policy seeks to define and establish the Policy of Muthoot Fincorp Limited providing a framework for reporting instances of unethical/improper conduct and taking suitable action to investigate and remedy the same.
2. Scope & coverage
  - (a) Procedure to disclose any suspected unethical and/or improper practice taking place anywhere in the Company.
  - (b) Protection available to the person making such disclosure in good faith.
  - (c) Mechanism for taking action and reporting on such disclosures to the relevant authority within the Company.
  - (d) Relevant authority and its powers to review disclosures and direct corrective action relating to such disclosures.

### Objective

3. The Company seeks to maintain the highest ethical and business standards in the course of conduct of its business by promoting transparency and ethical conduct in all spheres of business operations/activity.

The Whistle blower policy seeks to provide a mechanism for its staff, vendors or customers to disclose any unethical and/or improper practice(s) taking place in the Company, for appropriate action and reporting. Through this policy, the Company provides the necessary safeguards to all Whistle Blowers for making disclosures in good faith.

### Definitions

4. The definitions of some of the key terms used in this policy are given below:
  - (a) “**Whistle Blower**” means any Employee, Customer or Vendor of the Company, making a Disclosure under this policy.
  - (b) “**Disclosure**” means any communication in relation to an unethical practice (including anonymous disclosures, by any means) made in good faith by the Whistle Blower to the designated authority under this policy.
  - (c) “**Subject**” means a person against or in relation to whom a Disclosure is made under this policy.
  - (d) “**Unethical practice**” means and includes, but not limited to, the following suspected activities/ improper practices being followed in the Company:
    - (i) Manipulation of Company data / records.
    - (ii) Abuse of authority at any defined level in the Company.
    - (iii) Disclosure of confidential / proprietary information to unauthorized persons.

- (iv) Any violation of applicable laws and regulations to the Company, thereby exposing the Company to penalties/ fines.
- (v) Any instances of misappropriation of Company assets.
- (vi) Activity violating any laid down Company policy, including the Code of Conduct.
- (vii) Indulging in corrupt practices, misappropriation, fraudulent conversion and the like, breaching/ subverting the rules, procedures for personal gain, committed singly or in concert
- (viii) Gender related misconduct, harassment of any kind including physical, mental abuses
- (ix) Malicious acts, slander, libel and such acts as may cause injury to the reputation or business interests of the company
- (x) Any other activities whether unethical or improper in nature and injurious to the interests of the Company.

### **Applicability**

5. This policy is applicable to the following:

- (a) All Staff of the Company.
- (b) All Customers of the Company.
- (c) All Vendors interacting with the Company.

### **Procedure for Reporting**

6. Any Employee, Vendor or Customer of the Company may make a Disclosure, duly addressed to the **Company Secretary & Associate Vice President, Corporate Affairs**. His contact details are:

Mr TD Mathai  
The Company Secretary & Associate Vice President, Corporate Affairs.  
Muthoot Centre  
Punnen Road  
Trivandrum-695 034

Integrity lines are exclusively dedicated for disclosures by the whistle Blowers over phone. Phone No: 0471 3911621 Mobile No: 9446521345

Alternatively, the Disclosure can be e-mailed to [whistleblower@muthoot.com](mailto:whistleblower@muthoot.com).

Where anonymity is insisted, the informer may state so.

7. While making the disclosure, the whistle blower should take into consideration the applicable rules articulated under this policy.

- (a) It is strongly advised that the Whistle Blower disclose his/ her identity in a covering letter for ensuring timely resolution of the issue and also for ensuring that adequate protection is granted to him/ her under the relevant provisions of this policy.

- (b) The Whistle Blower must address the following issues, while reporting any Disclosures under this policy:
  - (i) The Disclosures made should bring out a clear understanding of the issue being raised.
  - (ii) The Disclosures made should not be merely speculative in nature but should be true and based on actual facts.
  - (iii) The Disclosure made should not be in the nature of a conjecture and should contain as much specific information as possible to allow for proper conduct of the inquiry/ investigation.
  - (iv) The disclosure made must be bona fide and disclosures with malafide intent will be rejected.
  - (v) The whistleblower having made a disclosure shall not prevaricate there from under pressure or otherwise and such acts shall be construed as infidelity.

### **Investigation**

- 8. Investigations shall be launched only after the review of Disclosure, which establishes that:
  - (a) The Disclosure made, prima facia constitutes an unethical/ improper practice, as defined under this policy;
  - (b) The Disclosure made is supported by adequate information to support an investigation or may reasonably be believed to have substance.
  - (c) The Company Secretary has to forward the Complaints to Corporate Operations if conditions (a) & (b) above are satisfied.
  - (d) The Corporate Operations has to forward the complaint to concerned Investigating officer.
  - (e) Vice President-Risk Management (Chief Vigilance Officer) will be the Investigating Officer, who shall investigate and present his report to the Company Secretary through Corporate Operations.
  - (f) Where the complexity of the disclosure so requires, a Panel of Investigators will be entrusted with the Investigations. In such cases, the Corporate Ops in consultation with Company Secretary and VP Risk Management can entrust the investigation to the Panel of Investigators/designated Authority approved for investigation.
- 9. The Corporate Ops shall detach the covering letter (wherever available), before forwarding the relevant Disclosure to the Investigator(s), to ensure that the confidentiality of the Whistle Blower is maintained during the inquiry/ investigation process and all through.
- 10. All Disclosures made by the Employees under this policy shall be recorded and action will be taken in accordance with the recommendation made by the Investigator or Panel of Investigators, as approved by Executive Vice President.
- 11. The Investigator / Panel of Investigators will submit their report within 7days to Corporate Operations. Corporate Ops will submit the final report to Company Secretary within 10 days. Where justified, a longer time frame shall be allowed

by Executive Vice President. The Company Secretary will present the Disclosure and investigation report to the Executive Vice President for suitable action.

12. The following will govern the investigations:-

- (a) Any inquiry/ investigation conducted against any Subject shall not be construed by itself as an act of accusation and shall be carried out as a neutral fact finding process, without presumption of any guilt.
- (b) The inquiry/ investigation shall be conducted in a fair manner and provide and equitable opportunity for hearing to the affected party and a written report of the findings should be prepared for submission to the Company Secretary.
- (c) The Investigator or the Panel of Investigators shall have right to call for and examine any information / document of the Company, examine other persons as witnesses or otherwise as may be deemed necessary for the purpose of conducting inquiry/ investigation under this policy.
- (d) All Subjects shall be duly informed about the disclosures of unethical practice(s) made against them at the commencement of the formal inquiry/ investigation process and shall have reasonable opportunities for providing explanations during the course of the inquiry/ investigation process.
- (e) No Subject shall directly/ indirectly interfere with or detract the investigation process
- (f) The Subjects shall not destroy or tamper with any evidence, and shall have a duty to co-operate with the inquiry/ investigation process or with any of the Investigators appointed, till the time the inquiry/ investigation process is completed. Anything contrary will be construed as an affirmation of guilt, besides constituting misconduct.

If demand necessary, to ensure (e) & (f), the subject may be transferred to another location or placed under suspension based on gravity of the disclosure.

- (g) During the course of the inquiry/investigation process, all Subjects shall have a right to consult any person(s) of their choice, other than the Investigators and engage any other employee to represent them in any inquiry/ investigation proceedings.
- (h) All Subjects shall have a right to be informed about the results of the investigation process and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process.
- (i) All Subjects shall be given an opportunity to respond to findings of the inquiry/ investigation as contained in an investigation report. No allegation of wrongdoing against any Subject shall be considered as tenable, unless the allegations are duly supported by valid evidence including circumstantial evidence in support of the allegation.
- (j) Where the results of the inquiry/ investigation highlight that the allegations made against the Subject are eventually dismissed as non-tenable, then the Company shall intimate such details to the Subject. In such cases, the Subject should also be consulted whether a public disclosure of the investigation

results would be in their best interest and the necessary Disclosures made. The Executive Vice President shall have the final discretion on whether such disclosure is necessary and if yes, on the scope and medium of such disclosure.

### **Protection to Whistle Blower**

13. The following shall be ensured to protect the Whistle Blower:-

- (a) The identity of the Whistle Blower, Subject and any other Employee assisting the inquiry/ investigation, shall be kept confidential at all times, except during the course of any legal proceedings, where a Disclosure/ statement is required to be filed. Where disclosure is made on the basis of anonymity, the company shall rely only on the evidence gathered during the investigation process.
- (b) The Company, as a policy, strongly condemns any kind of discrimination, harassment or any other unfair employment practice being adopted against the Whistle Blowers for disclosures made under this policy. No unfair treatment shall be meted out towards the Whistle Blower by virtue of his/her having reported a Disclosure under this policy and the Company shall ensure that full protection has been granted to him/her against:
  - i. Unfair employment practices like retaliation, threat or intimidation of termination/suspension of services, etc;
  - ii. Disciplinary action including transfer, demotion, refusal of promotion, etc;
  - iii. Direct or indirect abuse of authority to obstruct the Whistle Blowers right to continue performance of his duties/functions during routine daily operations, including making further disclosures under this policy.
- (c) The Whistle Blower may also report any violation of the above clause to the Audit Committee Chairman, who may direct an investigation into the same and recommend suitable action to the management.

### **Management Action on False Disclosures**

14. If an employee knowingly makes false disclosures under this policy, such employee shall be subject to disciplinary action on the terms deemed fit by the Management.

### **Reporting**

15. All instances of disclosures noted as part of this policy, including findings/status of all the inquiries/ investigations made against such disclosures shall be documented and a final report prepared by the Audit Committee and the Board of Directors on a quarterly basis, highlighting the following:-

- (a) The nature of reported disclosures made under this policy for the present quarter and the action proposed / taken thereon.

- (b) The status of prior and current period reported disclosures and the action taken thereon and reasons for delay on pending cases.
- (c) Results/status of any investigations/enquiries in reference to the disclosures; and
- (d) Any other matter.

16. **Rewards to Whistle Blower:** For significant disclosures, Management at their sole discretion may offer ‘Rewards to the Whistle Blower’ in the form of monetary awards and or Career path advancement, based on skills and capability.

17. The Company Secretary shall also recommend to the Management of the Company, the necessary actions to be taken, which may include:

- (a) Revision of the necessary Company policies and procedures.
- (b) Any other action which is deemed fit.

**Retention of Documents**

18. All Disclosures made by the Whistle Blower or documents obtained during the course of inquiry/ investigation, along with the results of investigation relating thereto, shall be retained by the Company for a minimum period of 7 years under the custody of the Company Secretary.

**Amendments**

19. The Management reserve the right to amend, modify or revise this Policy.

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