



*Jab zindagi badalni ho*

## WHISTLEBLOWER POLICY



### Registered Office

Muthoot Fincorp Limited

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## Revision/Change History

<b>Author</b>	<b>Reviewer/Approver</b>	<b>Version No.</b>	<b>Effective Date</b>	<b>Change Description</b>
CS	Board of Directors	1.1	01.06.2015	Reviewed the policy
CS	Board of Directors	1.2	28.03.2019	Reviewed by the Board on March 28, 2019
HR	Board of Directors	1.3	19.03.2020	Reviewed by the Board on March 19, 2020
HR	Board of Directors	1.4	23.03.2021	Reviewed by the Board on March 23, 2021
HR	Board of Directors	1.5	11.02.2023	• In addition to the existing 4 points, inserted 14 more points to enlarge

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				<p>the scope</p> <ul style="list-style-type: none"> <li>• Applicability of the policy extended to the directors as well</li> <li>• Procedure for Reporting was updated</li> <li>• Change in composition of policy</li> <li>• Segregation of disclosures into 3 parts</li> <li>• Investigation of disclosure changed to Whistle-blower Committee.</li> <li>• The final discretion of public disclosure will vest with the Head of the Whistle Blower Committee.</li> <li>• 3 new points added for suitable action by the Committee or by the Disciplinary Authority as applicable</li> <li>• Retention of Documents under Head - Employee Relations &amp; Statutory Compliances</li> </ul>
Chief Manager - IA & QA	Board of Directors	1.6	26.03.2024	<ul style="list-style-type: none"> <li>• Change in the composition of Whistleblower Committee</li> <li>• Conflict of interest clause added in Whistleblower Committee acts</li> <li>• Reporting and its periodicity have been changed.</li> <li>• Whistleblower Compliant reporting authority changed from Head of Employee Relations and Statutory compliances to Head of Internal Audit.</li> </ul>

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## 1. Introduction

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 provide remedy for the same.

### Scope & coverage:

1. Procedure to disclose any suspected unethical and/or improper practice taking place anywhere in the Company.
2. Protection available to the person making such disclosure in good faith.
3. Mechanism for acting and reporting such disclosures to the relevant authority within the Company.
4. Relevant authority and its powers to review disclosures and direct corrective action relating to such disclosures.
5. Criminal offences (e.g. frauds, corruption or theft) committed / likely to be committed.
6. Failure to comply with legal / regulatory provisions.
7. KYC/AML violations to provide some undue advantages to anyone.
8. Breach of customer service processes.
9. Use of Company funds in an unauthorized manner.
10. Any other form of improper action or conduct.
11. Information relating to any above activity deliberately concealed or attempts being made to conceal the same.
12. Fraudulent activity in the account of customer.
13. Abuse of authority at any defined level in the Company.
14. Disclosure of confidential / proprietary information to unauthorized persons.
15. Any violation of applicable laws and regulations to the Company, thereby exposing the Company to penalties/ fines.
16. Indulging in corrupt practices, misappropriation, fraudulent conversion and the like, breaching/ subverting the rules, procedures for personal gain, committed singly or in concert.
17. Gender related misconduct and harassment.
18. Malicious acts, slander, libel, and such acts as may cause injury to the reputation or business interests of the Company.

The above list of only illustrative and should not be considered as exhaustive.

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## 2. Objective

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

The Whistleblower Policy seeks to provide a mechanism for its employees, directors, vendors and/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 Whistleblowers for making disclosures in good faith.

## 3. Definitions

The definitions of some of the key terms used in this policy are given below:

- (a) **“Whistleblower”** means any Employee, Director, 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 Whistleblower 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 instances of misappropriation of Company assets.
  - (v) Activity violating any laid down Company policy, including the Code of Conduct.
  - (vi) Any other activities whether unethical or improper in nature and injurious to the interests of the Company.
- (e) **Whistleblower Committee:** A Committee that examines any disclosures made by the Whistleblower consists of CEO, Head - Operations, Head - Legal, CHRO and Head - Internal Audit. The Head of the Whistleblower Committee will be CEO. The Committee is formed for deliberating and conducting proper review of the disclosure. The Whistleblower Committee members will not be part of investigation process. If any of the members of the Committee has conflict of interest in a given case, they should recuse themselves and the other

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members of the Committee would deal with the matter on hand. Further the Committee shall not take any advises/expert opinion as per (g) below or assign investigators as per (h) below who has the conflict of interest in a given case.

- (f) Head - Internal Audit has to submit a report of all disclosures and outcome / action taken against each disclosure to the Audit Committee on a Quarterly Basis.
- (g) **Advisory Members/Experts:** Whistleblower Committee can seek expert advice from Functional Heads or external experts as and when required.
- (h) **Investigators:** Any persons authorized, appointed or consulted by the Whistleblower Committee, including the Internal Audit & Vigilance Department.
- (i) **Appellate Authority:** Subject can appeal against the decision of the Disciplinary Authority to Appellate Authority for review of decision. CMD will be the Appellate Authority.

#### 4. Applicability

This policy is applicable to the following:

- (a) All Employees of the Company.
- (b) All Directors of the Company
- (c) All Customers of the Company.
- (d) All Vendors interacting with the Company.

#### 5. Procedure For Reporting

Any Employee, Director, Vendor or Customer of the Company may make a disclosure, duly addressed to the Head - Internal Audit and Quality Assurance.

Contact details are:

Head - Internal Audit and Quality Assurance

Muthoot Fincorp Ltd, Muthoot Centre, TC No.14/2074-7 Punnen Road, Trivandrum, Kerala - 695 001.

E-mail: [whistleblower@muthoot.com](mailto:whistleblower@muthoot.com)

Phone No: + 91471 4911607. Mobile No: + 91 9746757606

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

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- (a) It is strongly advised that the Whistleblower discloses his/ her identity in a covering letter for ensuring timely resolution of the issue and for ensuring that adequate protection is granted to him/ her under the relevant provisions of this policy.
- (b) The Whistleblower must address the following issues, while reporting any disclosures under this policy:
- (i) Where anonymity is insisted, the Whistleblower may state so.
  - (ii) The disclosures made should bring out a clear understanding of the issue being raised.
  - (iii) The disclosures made should not be merely speculative (biased, assumptions or hearsay) in nature but should be true and based on facts.
  - (iv) The disclosures made should not be a conjecture and should contain as much specific information as possible, to allow proper conduct of the inquiry/ investigation.
  - (v) The disclosures made must be bona fide and disclosures with mala fide intent will be rejected.

## **6. Procedure For Investigation of Disclosure**

- a) Investigations shall be launched only after the review of disclosure, which establishes that:
- I. The disclosure made prima facie (on the first impression) constitutes an unethical/ improper practice as defined under this policy.
  - II. The disclosure made is supported by adequate information to support an investigation or may reasonably be believed to have substance.
- b) The Whistleblower Committee will determine within two days of receipt of the disclosure whether it pertains to a compliance or ethical violation. The disclosure will be reviewed and segregated in line with Whistleblower Policy:
- POSH related cases to be referred to Head of POSH Committee.
  - Disciplinary related cases to be referred to Disciplinary Authority.
  - Cases related to managerial or leadership issues to be referred to CHRO.
- c) If the Whistleblower Committee determines that the disclosure is valid, the Committee may ask the Head - Security & Vigilance to investigate and report within 3 to 7 days (depending on the gravity of the case). The Head - Security & Vigilance may be assisted by the Head - Internal Audit and Head - Branch Operations for conducting the Investigation.
- d) The Investigation Officer will file a report of the investigation's findings to the Whistleblower Committee along with evidence, if any, within 7 days of receipt of the advice from Whistleblower Committee.



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- e) Where the complexity of the disclosure so requires, a Panel of Investigators will be entrusted with the Investigations. In such cases, Whistleblower Committee can entrust the investigation to the Panel of Investigators/designated Authority approved for investigation with a timeline of 7 days.
- f) The Whistleblower Committee shall detach the covering letter (wherever available), before forwarding the relevant disclosure to the Investigator(s), to ensure that the confidentiality of the Whistleblower is maintained during the inquiry/ investigation process and all through.
- g) All disclosures made by the Whistleblower 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 the Whistleblower Committee.

## **7. 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 an equitable opportunity for hearing to the affected party and a written report of the findings should be prepared for submission to the Whistleblower Committee.
- (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 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 cooperate 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.
- (g) If deemed necessary, to ensure (e) & (f), the subject may be transferred to another location or placed under suspension based on gravity of the disclosure.
- (h) During 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, directors to represent them in any inquiry/ investigation proceedings.

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- (i) 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.
- (j) 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.
- (k) 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 Head of Whistleblower Committee shall have the final discretion on whether such disclosure is necessary and if yes, on the scope and medium of such disclosure.

## **8. Protection To Whistleblower**

The following shall be ensured to protect the Whistleblower:

- (a) The identity of the Whistleblower, subject and any other Employee, Director, assisting the inquiry/ investigation, shall be always kept confidential, except during any legal proceedings, where a disclosure/ statement is required to be filed. Where disclosure is made based on 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 Whistleblowers for disclosures made under this policy. No unfair treatment shall be meted out towards the Whistleblower 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 Whistleblowers right to continue performance of his duties/functions during routine daily operations, including making further disclosures under this policy.
- (c) The Whistleblower 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.

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## 9. Process Following a Disclosure Investigation

- If the investigation leads to the conclusion that an improper or unethical act has been committed by the Subject, the Whistleblower Committee shall recommend appropriate corrective action or disciplinary proceedings deemed necessary to the Disciplinary Authority for further action as per Company policy/rules.
- Disciplinary Authority can initiate the Domestic Enquiry process if required to ensure that proper process of disciplinary action followed for any action.
- The decision has to be informed to the alleged employee, director (Subject) and the appropriate action as per DA order has to be completed within 21 days from the date of receipt of disclosure.

## 10. Management Action on False Disclosures

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

## 11. Reporting

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 to be presented to 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.

## 12. Rewards to Whistleblower:

For significant disclosures, Management at their sole discretion may offer reward to the Whistleblower in the form of monetary awards and/or career path advancement, based on skills and capability.

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The Whistleblower Committee shall 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.

### **13. Retention of Documents**

All disclosures made by the Whistleblower or documents obtained during 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 Head-Employee Relations & Statutory Compliances.

### **14. Amendments**

The Management reserves the right to amend, modify or revise this policy.

### **15. Business Glossary**

<b>CEO</b>	<b>Chief Executive Officer</b>
<b>CRO</b>	<b>Chief Risk Officer</b>
<b>CCO</b>	<b>Chief Compliance Officer</b>
<b>TAT</b>	<b>Turn Around Time</b>
<b>RARC</b>	<b>Regional Audit Review Committee</b>
<b>ASC</b>	<b>Audit Score Card</b>

