



Jab zindagi badalni ho

WHISTLEBLOWER POLICY



Registered Office

Muthoot Fincorp Limited

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Page No.	1 of 17
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Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	2 of 17
Effective	08.11.2024

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

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	3 of 17
Effective	08.11.2024

CS	Audit Committee/ Board of Directors	1.7	08.11.2024	<ul style="list-style-type: none"> • Content modified under Introduction, Origin and Objectives, Scope and Coverage. • Inserted a new Clause 5 – Designated Authority and Roles of the Designated Authority. • Inserted a new Clause 6 – Reviewing Committee and its Roles Responsibilities. • Inserted a new Clause 5 – Confidentiality Mechanism of Whistleblower • Under Clause 9 – Procedure for Reporting – Mode of blowing the whistle has been inserted. • Inserted a new Clause 16 – Workflow Chart has been inserted.
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Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	4 of 17
Effective	08.11.2024

Table of Contents

Sl. No	Topics
1	Introduction
2	Origin & Objectives
3	Scope & Coverage
4	Definitions
5	Designated Authority & Roles of Designated Authority
6	Reviewing Committee and its roles and responsibilities
7	Confidentiality mechanism of Whistleblower
8	Applicability
9	Procedure for Reporting
10	Procedure for investigation of disclosure
11	Aspects which govern the Investigations
12	Protection to Whistleblower
13	Process following a disclosure investigation
14	Management action on false disclosures
15	Reporting
16	Workflow Chart
17	Rewards to Whistleblower
18	Retention of documents
19	Amendments
20	Business glossary

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	5 of 17
Effective	08.11.2024

1. Introduction

This Policy seeks to define and establish the Policy of Muthoot Fincorp Limited ('MFL') providing a framework for reporting instances of unethical/ improper conduct and taking suitable action to investigate and provide remedy for the same. This Policy enables a complainant to disclose information which the individual believes to be Improper Activity (as defined in this Policy), including but not restricted to any malpractices and events which have taken place / suspected of having taken place, financial impropriety, manipulations, misuse or abuse of authority etc.

2. Origin & Objectives

This Policy has been originated and modified as per the relevant Notifications of RBI, Section 177 of Companies Act, 2013 and relevant rules thereon and the existing instructions of MFL in this matter issued from time to time.

The objective of 'Whistleblower Policy' is to ensure highest ethical, moral and business standards in the course of functioning and to build a lasting and strong culture of Corporate Governance within MFL. In terms of this Policy, an internal mechanism is established for staff members to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the MFL's Code of Conduct. This Policy is intended to encourage all employees, directors, vendors and/or customers to disclose any unethical and/or improper practice(s) taking place in MFL, for appropriate action and reporting. This policy enables all concerned to report suspected or actual occurrences of illegal, unethical or inappropriate actions, behaviour or practices by staff members of MFL without fear of retribution. The employees can voice their concerns on irregularities, malpractices and other misdemeanors through this policy. It also provides necessary safeguards and protection to the employees and others who disclose the instances of unethical practices/ behaviour observed in MFL.

MFL 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. Through this policy, MFL provides the necessary safeguards to all the Whistleblowers for making disclosures in good faith.

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	6 of 17
Effective	08.11.2024

3. Scope & coverage:

The Policy covers malpractices and events which have taken place/ suspected to have taken place in the Organization involving Corruption, Frauds, Misuse/ abuse of official position, Manipulation of data / documents, any other act of an employee which affects the interest of MFL adversely and has the potential to cause financial or reputational loss to the Organization. The details of the complaint should be specific and verifiable.

It comprises of the following broad areas of Organizational activity:

1. Procedure to disclose any suspected unethical and/or improper practice taking place anywhere in MFL.
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 MFL.
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 MFL 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 MFL.
14. Disclosure of confidential / proprietary information to unauthorized persons.
15. Any violation of applicable laws and regulations to MFL, thereby exposing MFL 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 may cause injury to the reputation or business interests of MFL.

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

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	7 of 17
Effective	08.11.2024

4. 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 MFL, 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 MFL:
- (i) Manipulation of MFL data / records.
 - (ii) Abuse of authority at any defined level in MFL.
 - (iii) Disclosure of confidential / proprietary information to unauthorized persons.
 - (iv) Any instances of misappropriation of MFL assets.
 - (v) Activity violating any laid down MFL policy, including the Code of Conduct.
 - (vi) Any other activities whether unethical or improper in nature and injurious to the interests of MFL.

5) Designated Authority & Roles of Designated Authority

The Company Secretary (CS) is the Designated Authority to receive and handle all the complaints received under the Whistleblower Policy of MFL.

The CS upon receipt of the whistleblower complaint, shall assign it to the Head of Functional Audit for Investigation purpose. On the basis of the investigation report, the Head of Functional Audit shall submit the report to the CS with his/her remarks and recommendations, if any. After the review of the report, the CS shall forward the same to the Reviewing Committee i.e. Whistleblower Committee to take appropriate actions, if needed.

Roles and Responsibilities of Designated Authority:

- To Encourage all employees of MFL to report suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviors or practices by staff members without fear of retribution.
- To publish the contact details of the Designated Authority to enable the complainants / whistleblowers to register their complaints under the Policy.
- The Designated Authority shall be the focal point to receive the complaint from Whistleblower.

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	8 of 17
Effective	08.11.2024

- To Ensure that the identity of Whistleblower is not disclosed.
- To provide necessary safeguard and protection to the whistleblowers who disclose the instances of unethical practices/ behaviour observed in MFL.
- To appoint/authorise any official, preferably Internal Audit /Vigilance Dept. Official, to conduct an investigation under this Policy and submit the report to the Designated Authority.
- On the basis of investigation report, Designated Authority shall forward the same to Reviewing Committee with his/her remark and recommendation.
- After investigation, if it is proved that the Whistleblower's allegations are false/made with malafide intention, the Whistleblower shall not be protected under the Whistleblower policy. In such cases, the Designated Authority may recommend to the Reviewing Committee for taking a view on the actions that may be taken against the Whistleblower.
- The Designated Authority shall submit a status report to the Reviewing Authority and any other information relating to the disclosures received under this Policy on a quarterly basis.
- The Designated Authority shall be responsible for implementing the Policy and ensure that the Policy is known to all employees.

6) Reviewing Committee and its Roles and Responsibilities

A Committee constituted for the purpose of reviewing the outcome / inferences of investigation on the disclosure / complaint made by the whistleblowers is treated as the Reviewing Authority in the matter.

The Whistleblower Review Committee is constituted with the following members.

- 1) Chief Executive Officer (CEO) - Chair
 - 2) Head – Operations and Change Management
 - 3) Head – Legal
 - 4) Chief Human Resource Officer (CHRO)
 - 5) Head – Internal Audit & Quality Assurance
 - 6) Nodal Officer for Fraud Monitoring Committee (Head – Branch Operations)
 - 7) Head of Functional Audit
 - 8) Designated Authority - Convenor
- The Committee is formed to deliberate and conduct proper review of the disclosure and its outcome/ inferences after the investigation and to suggest further action.

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	9 of 17
Effective	08.11.2024

- The members of the Committee have notice conflict of interest in a given case, they should recuse themselves and the other members of the committee would deal with the matter that has been referred to the Whistleblower Review Committee.
- Upon receiving the investigation report along with Designated Authority's remark and recommendation, Reviewing Committee may take a view on closure of the complaint or forward the same to the concerned department for initiation of disciplinary proceedings.
- In the case of a false allegation / disclosure, upon receipt of the investigation report along with the remarks and recommendations of the Designated Authority, after scrutinising the recommendations for action against the Whistleblower for false allegations/ complaint with malafide intention, the Whistleblower Review Committee shall make suitable recommendations to the Competent Authority to take a view on the actions that may be taken against Whistleblower under Service Rules/ H R Manual or to close the complaint.
- If any person (Whistleblower) is aggrieved by any action on the ground that he/she is being victimized due to the fact that he/she had filed a complaint or disclosure, he/she may file an application before the Reviewing Committee, seeking redressal in the matter, wherein the Reviewing Committee may give suitable directions to the concerned person/ Designated Authority.
- A subject can file an appeal against the decision of the Competent/Disciplinary Authority to the Appellate Authority for review of the final decision. Managing Director shall be the Appellate Authority in this regard.
- Whistleblower Review Committee can seek expert advice from Functional Heads / external experts as and when required.
- The Designated Authority shall submit a consolidated report of the whistleblower cases to the Audit Committee on a quarterly basis, with the Action Taken Report.

7) Confidentiality Mechanism of Whistleblower

- ✓ The complaints received under Whistleblower shall be accessed by the Designated Authority only.
- ✓ Upon receipt of Complaint, the Designated Authority shall enter the particulars of Complaint in the Register.

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	10 of 17
Effective	08.11.2024

- ✓ The Designated Authority shall strive to ensure that the identity of Whistleblower is not disclosed.
- ✓ The particulars of the Complaint shall be recorded in the prescribed Register.

8) Applicability

This policy is applicable in the following categories:

- (a) All Employees of MFL
- (b) All Directors of MFL
- (c) All Customers of MFL
- (d) All Vendors interacting with MFL

9) Procedure For Reporting

Any Employee, Director, Vendor or Customer of MFL may make a disclosure, duly addressed to the Designated Authority (Whistleblower Complaints).

Contact details are:

Company Secretary
Muthoot Fincorp Limited
Muthoot Centre, TC No.14/2074-7, Punnem Road,
Trivandrum, Kerala - 695 001

E-mail: whistleblower@muthoot.com

Phone No: + 91471 4911621

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

Mode of blowing the whistle - Through Email or through written communication in the prescribed format (Annexure 1) or otherwise.

- (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.

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	11 of 17
Effective	08.11.2024

(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 shall be rejected.

10) Procedure For Investigation of Disclosure

- a) Investigation shall be initiated by the Designated Authority after the disclosure, which clearly 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 Designated Authority shall determine within three working days of receipt of the disclosure whether it pertains to a compliance or ethical violation. The disclosure shall be analysed and segregated in line with the Policy.
- c) If the Designated Authority determines that the disclosure is valid, he may request an investigation and report within 7 - 15 working days (depending on the gravity of the case). If required, the Investigating Officer can seek the support of the Head - Security & Vigilance with the assistance of Head - Functional Audit and Head - Branch Operations for conducting the Investigation.
- d) The Investigating Officer shall file a report on the investigation's findings to the Designated Authority along with evidence, if any, within 7 – 15 working days of receipt.
- e) Where the complexity of the disclosure requires a Panel of Investigators shall be entrusted with the Investigations. In such cases, the Designated Authority can

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	12 of 17
Effective	08.11.2024

entrust the investigation to the Panel of Investigators/designated Authority approved for investigation with a timeline of 7 – 15 working days.

- f) All disclosures made by the Whistleblower under this policy shall be recorded and actions shall be taken in accordance with the recommendation made by the Investigator or Panel of Investigators, as approved by the Whistleblower Review Committee and escalated to the Competent Authority according to the type of disclosure and its Investigation inferences.

11) Aspects which 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 the right to call for and examine any information / document of MFL, 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 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 shall 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.
- (i) All Subjects shall have a right to be informed about the results of the investigation process after the completion of the inquiry/ investigation.
- (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 wrong-doing

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	13 of 17
Effective	08.11.2024

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 MFL 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.

12) 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, MFL should rely only on the evidence gathered during the investigation process.
- (b) MFL, 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 MFL should 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 Chairman of the Audit Committee, who may direct an investigation into the same and recommend suitable action to the management.

13) Process Following a Disclosure Investigation

- If the investigation leads to the conclusion that an improper or unethical act has been committed by the Subject, upon placing before the forum, the Whistleblower Review

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	14 of 17
Effective	08.11.2024

Committee shall recommend appropriate corrective action or disciplinary proceedings deemed necessary to the Disciplinary Authority for further action as per MFL policy/rules.

- Disciplinary Authority can initiate the Domestic Enquiry process if required to ensure that proper process of disciplinary action is 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 working days from the date of receipt of disclosure.

14) 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.

15) Reporting

All instances of disclosures made 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 on a quarterly basis.

16) Workflow Chart

Whistleblower



The Whistleblower shall submit complaint to Designated Authority preferably on the prescribed format (Annexure-I) or otherwise along with all supporting documents of the case. (The whistleblower may submit his/her application directly to the Chairman of Audit Committee of Board (ACB) in exceptional or appropriate cases only.)

Designated Authority



The designated authority shall, on receipt of the complaint, arrange to verify the identity of the Whistleblower. On being satisfied that the disclosure has verifiable information, then the disclosure shall forward for investigation.

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	15 of 17
Effective	08.11.2024

Investigation Officer



The Officer shall investigate the matter and submit his/her report to the Designated Authority within 7-15 working days of receipt of complaint.

Designated Authority



The Investigation Report with his remarks & recommendations shall be placed before the Whistleblower Reviewing Committee for closure or for initiation of disciplinary proceedings.

Whistleblower Review Committee



If allegations made in the disclosure are substantiated, the Reviewing Authority shall take the decision appropriately.

The Designated Authority shall submit a consolidated status report to the Audit Committee on a quarterly basis for its information and recording.

Audit Committee

17) 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.

18) 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 MFL.

Document ID	MFL/IA&QA/Whistleblower Policy
Version No.	v 1.7
Page No.	16 of 17
Effective	08.11.2024

19) Amendments

The Management reserves the right to amend, modify or revise this policy, subject to the approval of Audit Committee.

20) Business Glossary

NBFC	Non-Banking Financial Company
HFC	Housing Finance Company
CEO	Chief Executive Officer
CHRO	Chief Human Resource Officer
MD	Managing Director
AC	Audit Committee

