

**Mahindra Rural Housing Finance Limited  
(MRHFL)**

**Whistle Blower Policy**

# Whistle Blower Policy

The Whistle Blower Policy shall come into effect from 10<sup>th</sup> April, 2014.

## OVERVIEW

Mahindra Rural Housing Finance Limited (MRHFL/the Company) is committed to the highest standards of ethics and integrity. The Board of Directors (Board) and the Senior Management of the Company are committed to maintenance of higher standards of honesty and integrity, and to promoting and maintaining a corporate culture that adheres to these values. In pursuance of this philosophy, MRHFL has put in place a Whistle Blower Policy to define a mechanism that will address any complaints related to fraudulent transactions or reporting, intentional non-compliance with the Company's policies and procedures and any other questionable accounting/ operational process followed.

This mechanism will allow for disclosure by employees of such matters without fear of retaliation and also allow for corrective and disciplinary action to be taken as regards such matters.

Section 177 (9) of the Companies Act, 2013 read rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 requires the Company to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.

Accordingly, this Whistle Blower Policy ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company or Chairman of the Company or the Corporate Governance Cell to report to the Management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Codes or Policies.

## INTENT OF THE POLICY

The intent of this policy is to help detect and address unacceptable conduct relating to auditing, accounting and operational activities, and make employees aware that such conduct can be reported in good faith and without fear of retaliation using the reporting channels of MRHFL.

## DEFINITIONS

The definitions of the key terms used in this Policy are given below.

a.	“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013.
b.	“Codes” mean two separate Codes of Conduct viz. one for Directors and other for Senior Management and Employees.
c.	“Corporate Governance Cell” means a Cell set up for the implementation and compliance of Corporate Governance Policies. The Corporate Governance Cell is also responsible to review the efficacy of these Corporate Governance Policies and suggest amendments to make them responsive to the changing times.
d.	“Corporate Governance Policies” or “Policies” means Policies inter alia including Customer Grievance Policy, Fair Practice Code, Recovery Policy etc., framed by the Company from time to time.
e.	“Employee” means every Employee of the Company (whether working in India or abroad), including the Directors in the whole time employment of the Company and employees engaged through Mahindra Business & Consulting Services Private Limited.
f.	“Investigators” mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee / Chairman of the Company / Corporate Governance Cell, including the Auditors of the Company and the Police.
g.	“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or violation of the Company’s Codes or Policies or any improper activity.
h.	“Subject” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
i.	“Whistle Blower” means an Employee making a Protected Disclosure under this Policy.

## SCOPE

The policy applies to all directors and employees. The Protected Disclosures include but are not limited to the following actions:

- a) Misappropriation and criminal breach of trust
- b) Fraudulent encashment through forged instruments, manipulation of books of accounts or through fictitious accounts and conversion of property
- c) Asset Misappropriation, involving:
  - i) Theft of cash on hand
  - ii) Fraudulent disbursements
  - iii) Ghost employees
  - iv) Cheque tampering
  - v) Overstated or fictitious expenses
  - vi) Teeming and lading
- d) Bribery and kickbacks
- e) Negligence and cash shortages
- f) Non-compliance with laws and regulations
- g) Misuse of company information
- h) Information relating to any of the above deliberately concealed or attempts being made to conceal the same
- i) Any other type of fraud not coming under the specific heads as above

Career related or other personal grievances are not a part of the scope of this policy.

## PROCEDURE

- a. All Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company or Chairman of the Company or the Corporate Governance Cell comprising Chief Financial Officer and Company Secretary for investigation.

- b. The contact details of the Chairman of the Audit Committee are as under:

Mr. Nityananda Ghanekar  
Mahindra Towers, 4th Floor,  
Dr. G. M. Bhosale Marg,  
P. K. Kurne Chowk, Worli  
Mumbai – 400 018.

The contact details of the Chairman of the Company are as under:

Mr. Ramesh Iyer  
Mahindra Towers, 4th  
Floor, Dr. G. M. Bhosale  
Marg, P. K. Kurne Chowk,  
Worli Mumbai – 40018.

- c. If a protected disclosure is received by any Executive(s) of the Company other than Chairman of Audit Committee or Chairman of the Company or the Corporate Governance Cell, the same should be forwarded to the Chairman of the Audit Committee or Chairman of the Company or the Corporate Governance Cell for further appropriate action.

Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.

- d. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised, be typed in English, Hindi or in the Regional Language of the place of employment of the Whistle Blower(s).
- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Chairman of the Audit Committee/ Chairman of the Company / the Corporate Governance Cell, as the case may be, shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

In using any of the above mentioned channels of communication, one should furnish the following details:

- Nature of the alleged dishonest practice or improper behavior
- When did it occur
- Location of the occurrence
- The way in which the wrong doing was committed
- The person(s) allegedly involved in the wrong doing
- Amount of financial loss on account of alleged wrong doing

- Any documentation available to support the allegation (in case of email – scanned copies of supporting to be sent and in case of a telephone call, supporting documents to be posted)
- Other witnesses (if any) to the alleged wrong doing

### **Anonymous Allegations**

The policy encourages the employees to put their names to allegations because appropriate follow up questions and investigation will not be possible unless the source of information is found. Concerns expressed anonymously will be investigated but consideration will be given to the seriousness of the issue raised and credibility of the concern.

For disclosures made anonymously, due care should be taken to disclose all the information listed on page number 6 of this document.

All disclosures received will be summarized and submitted to Chairman of the Audit Committee/ Chairman of the Company/ Corporate Governance Cell, for further action on a monthly basis or earlier, depending on the severity.

## **INVESTIGATION PROCEDURE**

The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or Chairman of the Company or Corporate Governance Cell or the Investigators.

Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee or the Chairman of the Company or Corporate Governance Cell, as the case may be.

The summary of disclosures will be reviewed by the Chairman of the Audit Committee of the Company / Chairman of the Company / Corporate Governance Cell. Anonymous disclosures will be investigated at the discretion of the Chairman of the Audit Committee of the Company / Chairman of the Company / Corporate Governance Cell based on the nature of the disclosure.

An internal or external investigator will be deployed depending on the severity of the disclosure, and the investigation will be carried out as quickly and thoroughly as possible.

Where an improper practice is proved, this would cover suggested disciplinary action, including dismissal, if applicable, as well as preventive measures for the future. All discussions would be minuted and the final report prepared.

The identity of a Subject and the Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.

Subjects would normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

Recommendations arising from the conclusions of the investigation will be actioned upon at the earliest.

## **DISQUALIFICATIONS**

- a. While it would be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower(s) knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

## **INVESTIGATORS**

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Chairman of the Audit Committee / Chairman of the Company / Corporate Governance Cell when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of legal and professional standards.
- c. Investigations would be launched only after a preliminary review by the Chairman of the Audit Committee or the Chairman of the Company or the Corporate Governance Cell, as the case may be, which establishes that:
  - i. the alleged act constitutes an improper or unethical activity or conduct; and
  - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review.

## **REPORTING**

A summary of the disclosures and outcome of the investigations shall be placed by the Corporate Governance Cell before the Audit Committee on a regular basis.

## **WHISTLE BLOWER'S PROTECTION**

If one raises a concern under this Policy, s/he will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner.

An employee of MRHFL will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:

- (a) The communication/ disclosure is made in good faith;
- (b) S/he reasonably believes that information, and any allegations contained in it, are substantially true; and
- (c) S/he is not acting for personal gain.

No action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

Help will be provided to an informant in order to minimize any difficulties, which s/he may experience. This may include advice on giving evidence if needed. Meetings may, if necessary be arranged off-site with her/ him, and with s/he being represented, if s/he so wishes.

## **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 the minimum period of 5 years.

## **AMENDMENTS TO THE POLICY**

MRHFL reserves the right to amend or modify this policy in whole or part, at any time without assigning any reason whatsoever.

## **GUIDANCE**

For any queries/ concerns regarding this policy, contact:  
Mr. Dharmesh Vakharia or Mr. Naveen Joshi