

SECURITY & VIGILANCE POLICY

Approved by the Board of Directors in their meeting held on 17th May 2023

The core business of MMFL consists of lending against the collateral security of gold ornaments and other third party products. Dealing with gold and cash has its own risks, and it is very essential to have a robust Security & Vigilance Policy.

The following aspects comes under the Security & Vigilance Policy

1. Physical Security at Branches
2. Electronic Security
3. Crisis Management
4. Action on fraud / legal cases
5. Preventive Vigilance
6. Employee Training on security related aspects
7. Security Audit.
8. CO Surveillance Team:

A. Security

Physical Security at Branches

The presence of a security guard at a business can provide peace of mind and a sense of security to the business owner, employees and customers. Employees that work in high-risk areas are more productive and easier to retain when they don't have to worry about personal safety. It also lets customers know that you are concerned about their safety and willing to take steps to ensure it.

A security guard is to keep an eye on the grounds during working hours, or after hours, or during opening or closing a business for the day.

Security guard at Branches (Armed and Unarmed) are made available in high sensitive areas, isolated areas, branches having major Gold Loan outstanding, metros and risk prone areas (highway side, Naxal infested areas etc...)

Electronic security at Branches

All branches will be provided electronic security system which will include CCTV with recording, security alarm, motion and stationary/shutter sensing alarm without considering the quantum or area of business. AMC is signed with vendors for proper maintenance and hassle free working of the system with immediate response to alerts created and we are aiming for central monitoring system in future.

Strongroom/Safe and Joint custodian operations

Considering the safety and security of the collaterals of the public and other documents, all the branches are provided with either Vault / strong room or safe, operated on multi lock system. The keys are always kept in dual custody of the employees and strong room operations are done only in joint custody.

Maker – Checker policy is implemented across all branches for the dual verifications of all transactions including gold and account entries made in the system.

Robust cash handling procedures are put in place with the all the cash transactions recorded in Cash book, manager scroll, kata book on real time basis and all the vouchers are prepared and signed, signed by the customers, counter signed by the sanctioneer also. Cash denominations are noted on all the reverse side of all the cash vouchers. At the end of the business day, cash book and manager scroll are tallied with cash denomination noted in the Cash denomination register duly prepared, signed and counter signed.

B. Vigilance:

The Vigilance department plays a vital role in ensuring that the Rules and laid down Procedures of the Company and the Government are adhered to in all circumstances and the discretionary powers vested with the individuals are exercised judiciously so that there is transparency in all official dealings. Vigilance Department pioneers the Anti-Corruption work of the Company. The vigilance department is headed by a senior experienced employee in the rank of AVP with a dedicated team at the CO and a team of audit personnel in the field spread across all Zones.

In addition to the audit personnel, Liaison officers, who are retired police official is also posted at the Zonal/regional offices for meeting the following functions. These liaison officers work under the Chief Vigilance officer, who will be a police official retired in the higher designation.

The Vigilance Department primarily focuses on Preventive and Punitive role. Another role is detective / surveillance. Punitive vigilance deals with disciplinary action against the employees who have engaged in corrupt activities.

Vigilance team consists of a minimum of 2 audit personnel in each zone and the number may go up depending on the branches in the zone, business, risk factor, logistics, geography etc., of the zone.

The Auditors attached to the Audit Department are visiting branches at specific intervals. The Vigilance visits are in addition to the regular audit visits and the surprise element is always maintained by the Vigilance visits which are scheduled taking into the broad guidelines on risk category of the branch.

The Vigilance team gives more weightage to the fraud angle especially the operation of safe and movement of safe keys as also the maintenance of electronic security systems at branches.

The major area of verification of the Vigilance team are Stock of physical cash and gold packets with a view to confirm whether the same is tallied with the system generated reports and trial balance. The dual operations of Safe, working of the CCTV Camera, DVR and connected equipment, door sensors, hooter, panic switches etc. are verified. The auditor also ascertains the working of all instruments and equipment's, revenue leakage through random verification, Life style of employees etc.,

Deviation reports are analyzed at the Department and escalated to the concerned departments for follow up and rectification.

Crisis Management

The chief Vigilance officer and the Liaison officers will be involved in the following functions.

Immediate response to alerts, crisis and situations. Investigation of facts related to employees frauds. Initiate steps for immediate recovery from the employee in case of employee fraud, customer in case of customer fraud. Initiation of legal steps like filing complaints and follow up in coordination with legal department and operation department.

Action on old fraud / legal cases

The Company focusses on action on old cases where settlement is possible through negotiation. Locating the absconding borrowers, identification of the asset of the borrowers & possibility of attachment, liaison with police for lodging complaints is also earnestly followed up by the Company

Surveillance

Surveillance is done through the following methods:

Surprise check of inventory and Cash Balance
Checking for the adherence of various process and policies.
Surveillance of CCTV from the CO.

Preventive Vigilance is a pro-active approach, which looks at creating awareness and education on anti-corruption measure, simplification of rules and procedures, plugging loopholes in the system.

The vigilance department imparts

Employee Training on security related aspects

Each of the employee is given adequate training during the Induction training and various other training given in periodical intervals throughout his/her tenure on all aspects which includes training on all security measures to be taken while working in the branch and as well as when the branch is closed. Training is given on how to operate alarm in case of emergency, ensuring the cameras and CCTV instruments are always in working condition, arming the security alarm sensors when closing the

branch and also how to efficiently use the joint custody of keys to minimize risks. Also training is given on how to face emergency situations and seek the police help wherever required.

Dedicated team

Electronic and physical securities audit

Audit to be conducted either individually or in co-ordination with the audit department regarding security measures present in a branch in periodic intervals as well as surprise visit. Confirm the presence of the security personnel during the working days in the entire period by verifying the security attendance register and CCTV records and also the physique of the securities. In case of any deficiencies, take it up with the respective authority and resolve it. Identification of additional requirements based on risk parameters or situations. Also verify whether the securities are in tune with the latest police / Government instructions. Also check the electronic security system are in proper working condition, whether any tampering is done on any security devices/instruments during the period and in case of any deficiencies take it up with the agency concerned and rectify it immediately. . Check and verify the joint strong room operations through CCTV and key registers.. Also take it up with the police and other authorities with regard to any issue wherever and whenever required.

Whistle Blow policy

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company had laid down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

This Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to raise concerns and to report to the Management about instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct. The policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.
