

# **Cholamandalam Financial Holdings Limited**

## **Whistle Blower Policy**

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### **POLICY**

Whistle Blower Policy under Vigil Mechanism of Cholamandalam Financial Holdings Limited ("CFHL" or the "Company") formulated under section 177 of the Companies Act, 2013 and Regulation 22 read with Regulation 4(2)(d)(iv) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This will also serve as the whistle blower policy under Regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **OBJECTIVE**

To provide Directors, Employees, customers and vendors an avenue to raise concerns, in line with the commitment of CFHL to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.

### **DEFINITIONS**

"Board" or "Board of Directors" shall mean the board of directors of the Company, as constituted from time to time

"Director" shall mean a member of the Board of the Company

"Employee" shall mean all persons employed by the Company and shall include secondees and persons employed for a temporary purpose or period, or on a temporary basis.

"Forensic audit" shall mean an audit commenced pursuant to regulation 30, Schedule III, Part A of SEBI LODR (by whatever name called), which are initiated with the objective of detecting any mis-statement in financials or mis-appropriation/ siphoning or diversion of funds.

"Generally Available Information" means information that is accessible to the public on a non-discriminatory basis, and "Generally Available" will be construed accordingly.

"Key Managerial Personnel" shall have the meaning assigned to it in Section 2(51) of the Companies Act, 2013, as amended or modified.

"Policy" shall mean this Whistle Blower Policy of the Company

"Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund.

“Unpublished Price Sensitive Information” or ‘UPSI’ means any information, relating to the Company or its Securities, directly or indirectly, that is not Generally Available, which upon becoming Generally Available, is likely to materially affect the price of the Securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following:

- i. financial results
- ii. dividends
- iii. change in capital structure
- iv. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- v. changes in Key Managerial Personnel.

“UPSI Leak Inquiry Procedure Policy” shall mean “POLICY GOVERNING THE PROCEDURE OF INQUIRY IN CASE OF LEAK OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OF CHOLAMANDALAM FINANCIAL HOLDINGS LIMITED”

**SCOPE**

To provide necessary safeguards for protection of Complainants (as defined below) from reprisals or victimization, for whistle blowing in good faith.

**COVERAGE**

All Directors, permanent Employees, customers and vendors of CFHL.

**MAIN FEATURES**

CFHL including subsidiaries, Associate Companies and Joint Ventures in case such entities do not have a Whistle Blower Policy of their own.

**Improper Practice**

The Policy is intended to cover genuine and serious concerns that could have a large impact on CFHL, such as actions (actual or suspected) that:

- May lead to incorrect financial reporting;
- Are not in line with applicable Company policy;
- Involve any instance of bribery, embezzlement or misappropriation;
- Amount to unethical behaviour;
- Amount to actual or suspected fraud;
- Violative of Company’s code of conduct;
- involve leakage of Unpublished Price Sensitive Information;
- Are unlawful or;
- Otherwise amount to serious improper conduct.

Complainant  
(Whistleblower)

A Director/Employee/customer/vendor making a complaint/referral under this Policy is commonly referred to as a Complainant (Whistleblower). The Complainant’s role is as a reporting party. He/she is not an investigator. Although the Complainant is not expected to prove the truth of an allegation, the Complainant needs to reasonably

demonstrate to the Ombudsperson, that there are sufficient grounds for concern.

#### Safeguards

##### **✦ Harassment or Victimization:**

Harassment or victimisation of the Complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned Employee or Director involved in such harassment or victimisation. Any complaint of harassment or victimization by a Complainant will be addressed promptly, and the relevant Employee or Director named in such harassment or victimization complaint will be required to prove that the allegations made in the complaint are not true/ do not amount to harassment or victimisation.

##### **✦ Confidentiality:**

Every effort will be made to strictly protect the Complainant's identity, subject to legal constraints, by all persons who are involved in handling the complaint and those who receive any information in relation to such complaint.

##### **✦ Anonymous Allegations:**

Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously WILL NOT BE usually investigated BUT subject to the seriousness of the issue raised, the Ombudsperson can initiate an investigation independently.

##### **✦ Malicious/ Frivolous Allegations:**

Malicious, frivolous or baseless allegations by Employees or Directors will result in disciplinary action against such Employee or Directors.

#### Ombudsperson

In case of complaints by or against Employees, customers and vendors, the Ombudsperson will be a person, including a full-time senior employee, well respected for his/her integrity, independence and fairness, who will report directly to the Audit Committee in relation to any matters under this Policy. S/he would be authorised by the Board of the Company for the purpose of receiving all complaints under this Policy and supervising the investigation and ensuring appropriate action.

In appropriate / exceptional cases, direct access to the Chairman of the Audit Committee will be permitted subject to approval of the Ombudsperson.

In case of complaints by or against Directors, the Ombudsperson will be the Chairperson of the Audit

Committee of the Board.

In case the Complainant has reason to believe that the relevant Ombudsperson is involved in the suspected violation, the complaint may be made directly to the Chairman of the Audit Committee, or to the Board.

#### Reporting

The whistle blowing procedure is intended to be used for genuine, serious and sensitive issues. Only genuine and serious concerns of the nature set out in this Policy should be reported to the concerned Ombudsperson. Annexure I provides the necessary contact details of the concerned Ombudsperson. In line with the objectives of the policy, routine grievances from customers / vendors shall be dealt with by the customer / vendor grievance mechanism of the Company and shall not be covered under this policy. With respect to referrals from customer / vendors, those alleging corruption charges and reputational risks will be dealt with under the policy.

Incidents of frauds / suspected frauds shall be reported as soon as possible but not later than 15 days from the date of such knowledge. The reporting of the fraud normally should be in writing and should be in a sealed/closed/secured envelope and should be super-scribed as 'Confidential'.

#### Investigation

All complaints received will be recorded and looked into. If initial enquiries by the Ombudsperson indicate reasonably that the concern has no basis, or it is not a matter to be pursued under this Policy, it may be dismissed at this stage by the concerned Ombudsperson and the decision shall be documented by him/her. It is clarified that if the complaint received is in relation to an Improper Practice that involves leakage of Unpublished Price Sensitive Information, the complaint shall be forwarded to the Chief Investor Relations Officer under the UPSI Leak Inquiry Procedure Policy, and shall be investigated under that policy in accordance with its terms. However, the Ombudsperson must work with the Chief Investor Relations Officer, the Inquiry Committee and the Compliance Officer under the UPSI Leak Inquiry Procedure Policy to ensure that the protections available to the Complainant (and penal provisions applicable to malicious/frivolous allegations) under this policy continue to be available/applicable (as the case may be).

All reports of fraud or suspected fraud shall be handled with utmost speed. If necessary, the matter will be referred to the fraud control unit of the entity for further course of action.

Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the

Ombudsperson alone, or by a committee nominated by the Ombudsperson for this purpose (“**Committee**”). The Committee shall consist of persons who meet the criteria of independence and fairness and who do not have a conflict of interest in the investigation. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made. In case of absence or unavailability of the Ombudsperson, the Board may authorize a person to carry out the functions and responsibilities of the Ombudsperson.

With regard to incidents of fraud, Ombudsperson / the Committee shall ensure that all relevant records/ documents and other evidence is being immediately taken into custody and being protected from being tampered with, destroyed or removed by suspected perpetrators of fraud.

### ***Investigation Result***

Based on a thorough examination of the findings, the Committee (or Ombudsperson) would submit the report of finding and recommend an appropriate course of action to the Managing Director or the Audit Committee of CFHL in case of complaints by or against Employees, customers and vendors; to Audit Committee of the Board in case of complaints by or against Directors. The said recommendation will be based on the internal whistleblower process of CFHL, involving reference to the Company Secretary and co-ordination with the respective functional / business heads of CFHL.

Where an Improper Practice is proved, this would cover suggested disciplinary action, including dismissal, if applicable, as well as preventive measures for the future.

In case criminal breach of trust, fraud or such activity is detected during the course of investigation, falling within the ambit of criminal proceedings, and if required under prevalent law/regulations, appropriate action including filing of FIR will be initiated under the directions of Nodal Officer/Designated Committee.

All discussions would be minuted and the final report will be prepared, setting out the facts, evidence, observations and discussions in relation to the complaint and the investigation.

### ***Investigation Subject***

The investigation subject is the person / group of persons who are the focus of the enquiry / investigation, against whom the complaint has been made.

Their identity would be kept confidential to the extent possible, subject to legal constraints, by all persons who are involved in handling the complaint and those who receive any information in relation to such complaint.

**Reporting to Stock Exchanges**

If the complaint is pertaining to any material mis statement in financials, mis appropriation / siphoning or diversion of funds leading to initiation of forensic audit, the following shall be disclosed to the stock exchanges under Regulation 30 of SEBI LODR.

- (i) Fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- (ii) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

**Reporting by Ombudsperson**

In case of complaints by or against Employees or Directors, the Ombudsperson will provide quarterly reports to the Audit Committee. Such reports shall include details of any malicious, frivolous or baseless complaints made by any Employee or Director.

**Communication with Complainant**

The Complainant will receive an acknowledgement on receipt of the concern by the Ombudsperson.

The amount of contact between the Complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided.

Further information may be sought from him/her.

Subject to legal constraints, s/he will receive information about the outcome of any investigations (including any investigations done under the UPSI Leak Inquiry Procedure Policy).

**Changes to Policy**

Subject to applicable law, this Policy can be changed, modified, rescinded or abrogated at any time by CFHL.

**ACCOUNTABILITIES**

**Directors / Employees / Customers / Vendors**

1. Bring to early attention of the Company any Improper Practice (whether regular or in a single instance) that they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern.
2. Avoid anonymity when raising a concern.
3. Co-operate with investigating authorities, maintaining full confidentiality.
4. The intent of the Policy is to bring genuine and serious issues to the fore and it is not intended for petty complaints. Malicious, frivolous or baseless allegations by Employees may attract disciplinary action.
5. A Complainant has the right to protection from retaliation, harassment and victimisation. But this does not extend to immunity for complicity in the matters that are the subject of the allegations and investigation under a complaint.

6. In exceptional cases, where the Complainant (being an Employee / customer / vendor) is not satisfied with the outcome of the investigation carried out by the Ombudsperson, s/he can make a direct appeal to the Chairman of the Audit Committee of CFHL.

***Ombudsperson /  
Committee***

1. Conduct the enquiry in a fair, unbiased manner.
2. Ensure complete fact-finding.
3. Maintain strict confidentiality.
4. Document the investigation thoroughly, including all facts, evidences, discussions and finding, including whether an Improper Practice has been committed and if so by whom.
5. Recommend an appropriate course of action to the Audit Committee - suggested disciplinary action, including dismissal, and preventive measures and other appropriate measures.
6. Minute Committee deliberations and document the final report
7. Table the quarterly reports with the Audit Committee.



**MD/CEO**

1. Table the quarterly reports from the Ombudsperson with the Audit Committee.
2. Ensure necessary action on the recommendations of the Ombudsperson / Committee.
3. Ensure that necessary steps are taken such that Employees are aware of this Policy

**Investigation Subject**

1. Provide full co-operation to the Investigation team.
2. Be informed of the outcome of the investigation.
3. Accept the decision of the Ombudsperson.
4. Maintain strict confidentiality.

**Conflict of Interest**

In case the Ombudsmen or members of the Committee or the Panel or the Board have any conflict of interest, with respect to the complaint, the Complainant or the persons named in the complaint, such persons shall recuse themselves from the investigation, hearing and decision making on the said complaint. Such persons will in no way attempt to influence the process of the investigation, hearing and decision making on the said complaint, failing which they may also face disciplinary action, including suspension or termination.

<b>LIST OF ANNEXURES</b>	
<b>Annexure I</b>	<b>Ombudsperson Contact Details</b>
<b>Annexure II</b>	<b>Process Flow</b>

**ANNEXURE I: OMBUDSPERSON CONTACT DETAILS**

**For complaints by or against Directors**

**OMBUDSPERSON: Mr. B Ramaratnam, Chairman of Audit**

**Committee CONTACT DETAILS:**

**Address:**

Dare House, No.234, N.S.C. Bose Road, Parrys,  
Chennai - 600 001

**E-Mail:**

[ratnamtejas@gmail.com](mailto:ratnamtejas@gmail.com)

**For Employees, customers, vendors**

**OMBUDSPERSON: Mr. Shyam C Raman (Executive VP – HR Murugappa Group)**

**CONTACT DETAILS:**

**Address:**

Dare House Extension, 6<sup>th</sup> Floor  
No.234, N.S.C. Bose Road, Parrys  
Chennai - 600 001

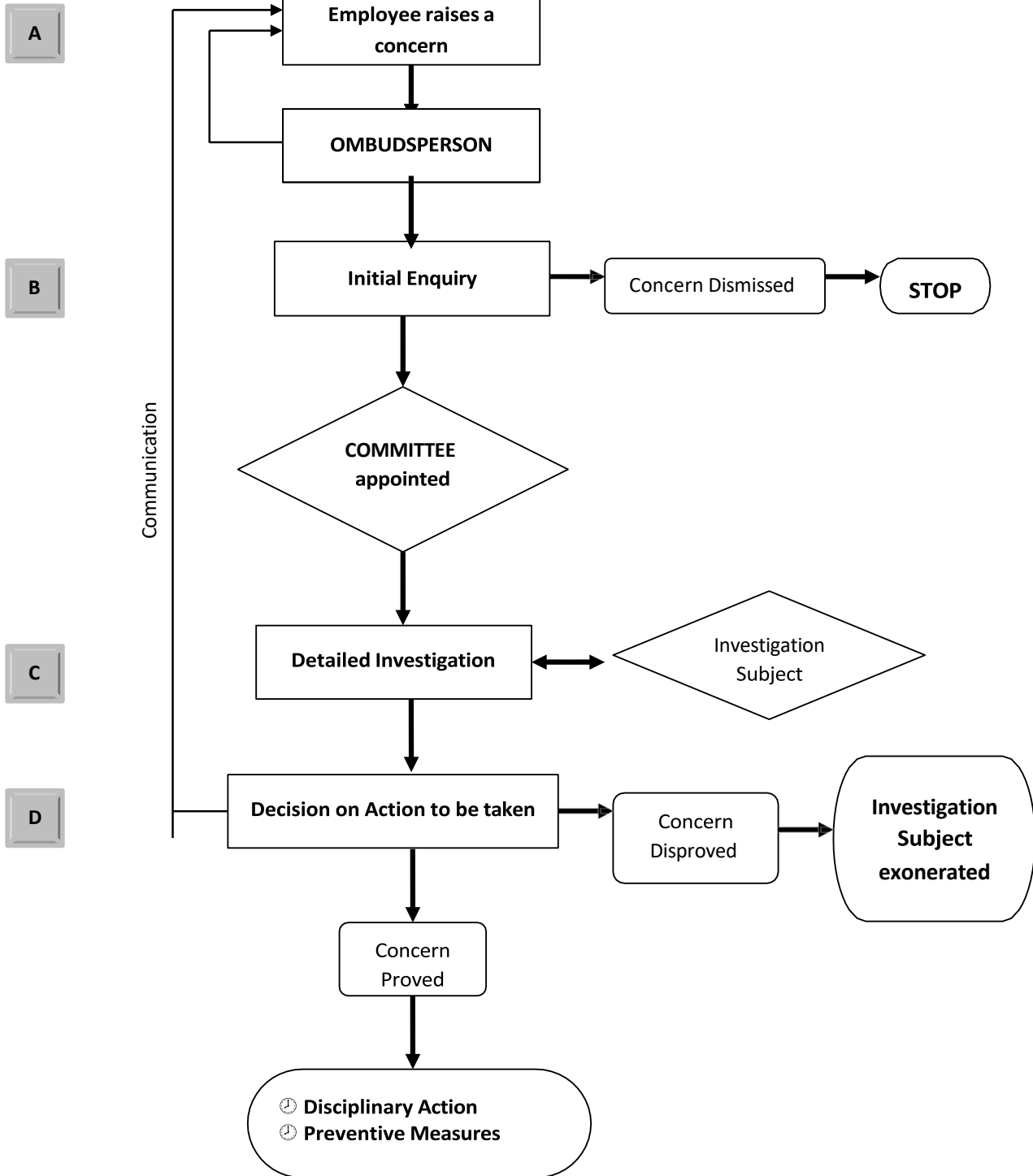
**Phone:**

Direct line: 044 25304444  
Dare House Extension: 4444

**E-mail:**

[ombudsperson@corp.murugappa.com](mailto:ombudsperson@corp.murugappa.com)

**ANNEXURE II: PROCESS FLOW (WHISTLE BLOWER POLICY)**



## **ANNEXURE II: PROCESS FLOW (WHISTLE BLOWER POLICY)**

### **IMPROPER PRACTICES**

Serious concerns that would have impact on CFHL, such as actions (suspected or actual) that:

- ⌚ May lead to incorrect financial reporting;
- ⌚ Are not in line with applicable Company policy;
- ⌚ Involve any instance of bribery, embezzlement or misappropriation;
- ⌚ Amount to unethical behaviour;
- ⌚ Amount to actual or suspected fraud;
- ⌚ Are unlawful or,
- ⌚ Violative of Company's code of conduct, including the Code of Conduct to Regulate, Monitor and Report trading by Insiders in Securities of CFHL;
- ⌚ Involve leakage of Unpublished Price Sensitive Information
- ⌚ Otherwise amount to serious improper conduct.

### **SAFEGUARDS**

- ⌚ Harassment or Victimization: Harassment or victimisation of the Complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee against whom such complaint of harassment or victimization is made.
- ⌚ Confidentiality: Every effort will be made to protect the complainant's identity, subject to legal constraints, by all persons who are involved in handling the complaint and those who receive any information in relation to such complaint.
- ⌚ Anonymous Allegations: Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously **WILL NOT BE** usually investigated **BUT** subject to the seriousness of the issue raised the Ombudsperson can initiate an investigation.
- ⌚ Malicious Allegations: Malicious, frivolous or baseless allegations by employees would result in disciplinary action.

**OMBUDSPERSON – for complaints by or against Directors**

- ⌚ Chairperson of the Audit Committee of the Board of Directors.

**OMBUDSPERSON – for complaints by or against employees & others**

- ⌚ An individual, may be a full-time senior employee, respected for his/her integrity, independence and fairness.
- ⌚ Nominated by the Board.