

Cholamandalam Investment and Finance Company Limited

Whistle Blower Policy

Dated April 28, 2014

WHISTLE BLOWER POLICY

POLICY	Whistle Blower Policy under Vigil Mechanism of the Company.
OBJECTIVE	To provide directors, employees, customers and vendors an avenue to raise concerns, in line with the commitment of Cholamandalam Investment and Finance Company Limited (CIFCL) to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.
SCOPE	To provide necessary safeguards for protection of directors and employees from reprisals or victimization, for whistle blowing in good faith.
COVERAGE	All directors, permanent employees, customers and vendors of CIFCL.
MAIN FEATURES	CIFCL including subsidiaries, Associate Companies and Joint Ventures in case such entities do not have a Whistle Blower Policy of their own.
Improper Practice	<p>The whistle blowing policy is intended to cover genuine and serious concerns that could have a large impact on CIFCL, such as actions (actual or suspected) that:</p> <ul style="list-style-type: none"> ➤ May lead to incorrect financial reporting; ➤ Are not in line with applicable company policy; ➤ Are unethical behaviour; ➤ Are actual or suspected fraud; ➤ Violative of Company's code of conduct; ➤ Are unlawful or; ➤ Otherwise amount to serious improper conduct.
Complainant (Whistleblower)	A director/employee/customer/vendor making a disclosure 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 demonstrate to the Ombudsperson, that there are sufficient grounds for concern.
Safeguards	<p>⊕ Harassment or Victimization: Harassment or victimisation of the complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee.</p>

⊕ **Confidentiality:**

Every effort will be made to protect the complainant’s identity, subject to legal constraints.

⊕ **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 Allegations:**

Malicious allegations by employees will result in disciplinary action.

Ombudsperson

In case of complaints by 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. S/he would be authorised by the Statutory Board of the company for the purpose of receiving all complaints under this policy 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 directors, the Ombudsperson will be the Chairperson of the Audit Committee of the Board.

Reporting

The whistle blowing procedure is intended to be used for genuine, serious and sensitive issues. Only genuine and serious concerns relating to financial reporting, unethical or illegal conduct should be reported to the concerned Ombudsperson. Annexure I provides the necessary contact details of the concerned Ombudsperson.

Investigation

All complaints received will be recorded and looked into. If initial enquiries by the Ombudsperson indicate 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 documented by him/her.

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. 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.

Investigation Result

Based on a thorough examination of the findings, the committee (or Ombudsperson) would recommend an appropriate course of action to the Managing Director of CIFCL in case of complaints by employees, customers and vendors or to Audit Committee of the Board in case of complaints by directors. 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.

Investigation Subject

The investigation subject is the person / group of persons who are the focus of the enquiry / investigation. Their identity would be kept confidential to the extent possible.

Reporting by***Ombudsperson***

In case of complaints by employees, customers and vendors, the Ombudsperson will provide quarterly reports to the Managing Director with a copy to the Group Director HR and in case of complaints by directors, the Chairman of the Audit Committee shall brief the Board at its next meeting.

Communication with Complainant

The complainant will receive acknowledgement on receipt of the concern.

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.

Changes to Policy

This policy can be changed, modified, rescinded or abrogated at any time by CIFCL.

ACCOUNTABILITIES***Employees / Customers / Vendors***

1. Bring to early attention of the company any improper practice 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 allegations by employees may attract disciplinary action.

6. A complainant has the right to protection from retaliation. But this does not extend to immunity for complicity in the matters that are the subject of the allegations and investigation.
7. 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 CIFCL.

Ombudsperson

1. Ensure that the policy is being implemented.
2. Ascertain prima facie the credibility of the charge. If initial enquiry indicates further investigation is not required, close the issue.
3. Document the initial enquiry.
4. Where further investigation is indicated carry this through, appointing a Committee if necessary.
5. Provide quarterly reports to the CEO of CIFCL with a copy to the Group Director HR. In case of complaints by directors, the quarterly report shall be submitted to the Audit Committee.
6. Acknowledge receipt of concern to the complainant, thanking him/her for initiative taken in upholding the company's business conduct standards.
7. Ensure that necessary safeguards are provided to the complainant.

***Ombudsperson /
Committee***

1. Conduct the enquiry in a fair, unbiased manner.
2. Ensure complete fact-finding.
3. Maintain strict confidentiality.
4. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
5. Recommend an appropriate course of action - 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.

CEO

1. Table the quarterly reports from the Ombudsperson with the Audit Committee.
2. Ensure necessary actioning of recommendations of the Ombudsperson / Committee.

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.

LIST OF ANNEXURES	
Annexure I	Ombudsperson Contact Details
Annexure II	Process Flow

ANNEXURE I: OMBUDSPERSON CONTACT DETAILS**For Directors****OMBUDSPERSON: Mr. V Srinivasa Rangan (Chairman of Audit Committee)****CONTACT DETAILS:****Address:**

Dare House
No.2, N.S.C. Bose Road, Parrys
Chennai - 600 001

E-mail:

ac.chairman@chola.murugappa.com

For employees, customers and vendors**OMBUDSPERSON: Mr. Shyam C Raman (Executive – HR Murugappa Group)****CONTACT DETAILS:****Address:**

Dare House Extension, 6th Floor
No.2, N.S.C. Bose Road, Parrys
Chennai - 600 001

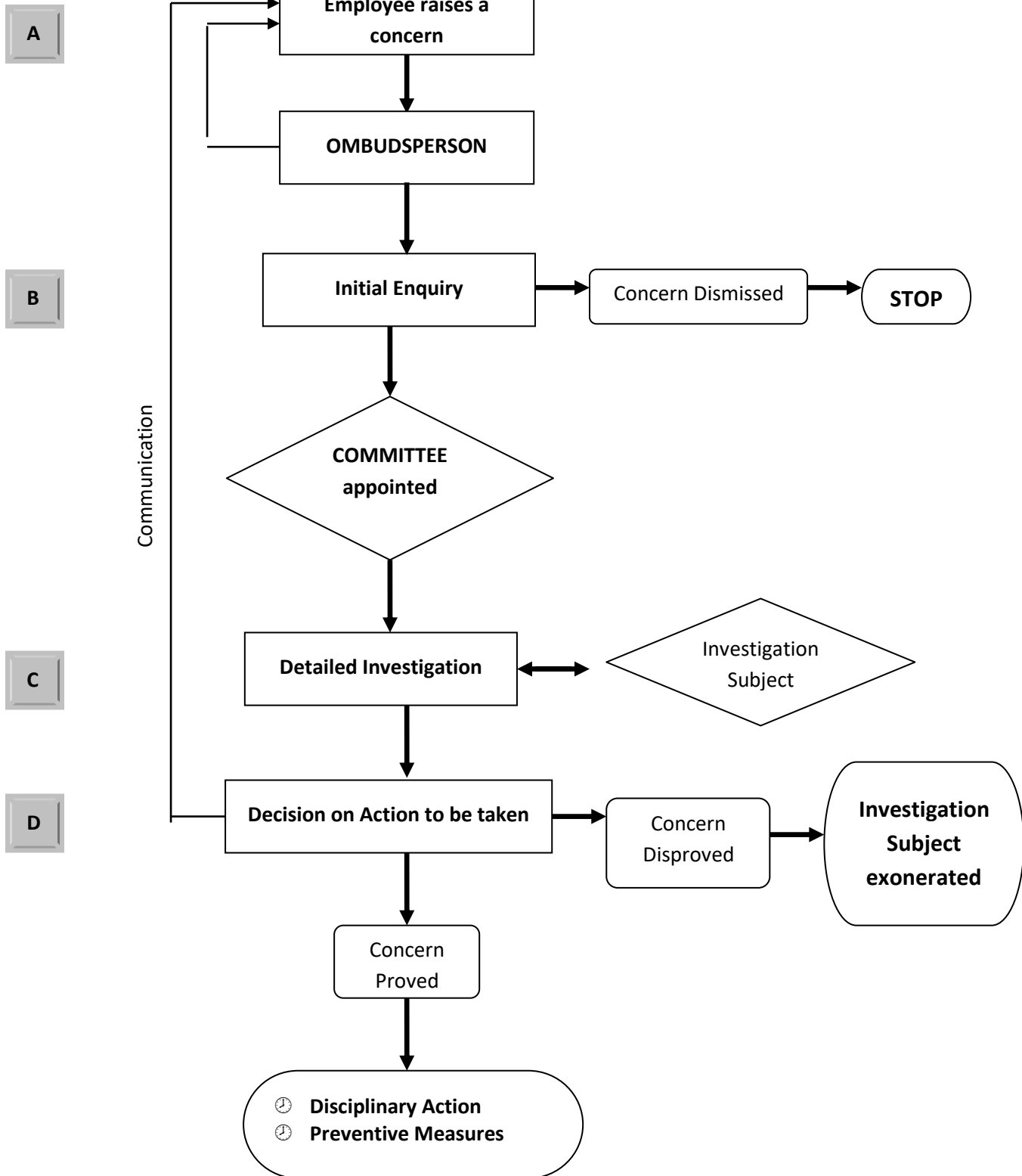
Phone:

Direct line: 044 25304444
Dare House Extension: 4444

E-mail:

ombudsperson@corp.murugappa.com

ANNEXURE II: PROCESS FLOW (WHISTLE BLOWER POLICY)



ANNEXURE II: PROCESS FLOW (WHISTLEBLOWER POLICY)**IMPROPER PRACTICES**

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

- ⌚ May lead to incorrect financial reporting;
- ⌚ Are not in line with applicable company policy;
- ⌚ Are unethical behaviour;
- ⌚ Are actual or suspected fraud;
- ⌚ Are unlawful or,
- ⌚ 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.
- ⌚ Confidentiality: Every effort will be made to protect the complainant's identity, subject to legal constraints.
- ⌚ 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 allegations by employees would result in disciplinary action.

OMBUDSPERSON – for Directors

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

OMBUDSPERSON – for employees & others

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