

VIGILANCE MECHANISM (WHISTLE BLOWER) POLICY

CITICORP FINANCE (INDIA) LIMITED

OWNER: Ashok Kutty
ashok.kutty@citi.com

REVISED:
MAY 2021

**CFIL BOARD APPROVAL: SEP 29,
2020
JUNE 2021
FEB 2022**

**VERSION: 1.1 OF FY 2020-21
VERSION: 1.1 OF FY 2021-2022
VERSION: 1.2 OF FY 2021-2022**

1. PREAMBLE

1.1. Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigilance mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Citicorp Finance (India) Limited (the Company) is covered by Section 177 and Rules framed thereunder.

1.2. The Company, being a Listed Company (Debt Listed) proposes to establish a Vigilance Mechanism by adoption of a Whistle Blower Policy. Therefore, in pursuance of the said section, this Vigilance Mechanism by way of a Whistle Blower Policy ('this Policy') has been formulated by the Company.

1.3. Through this Policy, the Company seeks to provide a procedure, for the reference of all the Directors and employees of the Company, to disclose any unethical and improper practice taking place in the Company for appropriate action and reporting.

2. DEFINITIONS

a. **"Alleged wrongful conduct"** shall mean violation of law, infringement of Company's policies and/or rules, misappropriation of monies, actual or suspected fraud including as defined in Citi's Fraud Management Policy and Standards, substantial and specific danger to public health and safety or abuse of authority".

b. **"Company"** means Citicorp Finance (India) Limited.

c. **"Audit Committee"** means a Committee constituted by the Board of Directors of the Company in accordance with Companies Act, 2013, RBI Regulation and the guidelines of Listing Agreement.

d. **"Board"** means the Board of Directors of the Company.

e. **"Code"** means Code of Ethics adopted by Citicorp Finance (India) Limited.

f. **"Employee"** means all the present employees including the Directors in the employment of the Company.

g. **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

h. **"Subject"** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

i. **“Nodal Officer”** means those persons authorized by the Audit Committee.

j. **“Whistle Blower”** is an employee or director or any other person – internal or external, who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

3. POLICY OBJECTIVES

3.1 The basic objectives of this Policy are:

a) to provide a vigilance mechanism and an opportunity for directors, employees or any other person to blow whistle against and to report concerns about unethical behaviour, actual or suspected fraud or violation of the company’s code of conduct or ethics policy;

b) to provide an opportunity to the directors or employees or any other person and give them an avenue to raise concerns and have access to the Audit Committee;

c) to maintain the highest possible standards of ethical, moral and legal business conduct and the company’s commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company;

d) to provide all necessary safeguards for protection of directors and employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those directors or employees as a result of the directors’ or employees’ good faith disclosure of alleged wrongful conduct to an Audit Committee. Any director or employee who discloses and subsequently suffers an adverse personal action as a result is subject to the protection under this Policy;

3.2 The Company is committed to developing a culture, where it is safe for all employees to raise concerns about any unacceptable practice and any event of misconduct;

3.3 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 and even outsiders, who have genuine concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment;

3.4. The mechanism provides for adequate safeguards against victimization of directors and employees to avail of the mechanism and also provide for direct access to the Audit Committee in exceptional cases; and

3.5 This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation or with a mala fide intent.

4. GUIDING PRINCIPLES

4.1 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- a) Ensure that the whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so;
- b) Treat victimization as a serious matter including initiating disciplinary action against such person/(s);
- c) Ensure complete confidentiality;
- d) Not attempt to conceal evidence of the Protected Disclosure;
- e) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made; and
- f) Provide an opportunity of being heard to the persons involved especially to the Subject.

5. SCOPE OF POLICY

The policy intends to cover information on suspected unethical and improper practices or wrongful conduct, listed below, which anyone connected with the Company, in good faith and believes to exist:

- a. Manipulation of Company data / records stored physically or electronically;
- b. A substantial and specific danger or Negligence causing substantial and specific danger to public health and safety;
- c. Willful abuse of authority;
- d. Leaking confidential or proprietary information;
- e. Willful Violation of any law or regulations;
- f. Willful wastage or misappropriation of company resources;
- g. Activities violating policies including Code of Ethics and Conduct;
- h. Forgery or alteration of documents;
- i. Corruption/Bribery;
- j. Any criminal Offence;

- k. Misappropriation of funds and assets;
- l. Financial irregularities, including fraud, or suspected fraud.
- m. Fraud, as defined under Citi's Fraud Management Policy and Standards Policy.

6. CONCERNS NOT COVERED UNDER THE POLICY

- a) Career related or other personal grievances are excluded from the policy;
- b) Any matter already discussed or in the process of being addressed pursuant to disciplinary or other procedures of the Company cannot be addressed under the policy;

7. DISQUALIFICATIONS

7.1 While it will be ensured that genuine whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection may warrant disciplinary action.

7.2 Protection under this Policy would not mean protection from disciplinary action arising out of false or malicious allegations made by a whistleblower knowing it to be false or with a mala fide intention.

7.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted under Company's Code of Conduct.

8. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

8.1 All Protected Disclosures should be promptly reported in writing by the complainant immediate after the Whistle Blower becomes aware of the same to the email id mentioned at clause 8.3.

8.2 The Protected Disclosure should be submitted through email with the subject "**Protected Disclosure under the Whistle Blower Policy**";

8.3 The contact details of the Nodal Officer of the Company are as under:

[Head of Security, South Asia and Chief of Internal Vigilance, Citi Security and Investigative Services \(CSIS\)](#)

Address - 9th Floor, First International Financial Center,
Bandra Kurla Complex (BKC), Bandra East,
Mumbai 400 098
Ph. 6175 5867
Mail id – ashok.kutty@citi.com

8.4 In case if the whistle blower is not comfortable to raise his/her concern with the contacts listed

above, they may contact the Citi Ethics Office located in Citi Ethics Office, United States by sending an email to ethicsconcern@citi.com. Following are the details of Ethics office:

Citi Ethics Office
1 Court Square
Long Island City, N.Y. 11101

8.5 All Protected Disclosures should be addressed to the Nodal Officer of the Company only;

8.6 Any Protected Disclosure against Nodal Officer and any of the Directors of the Company should be addressed to the Audit Committee;

8.7 On receipt of the protected disclosure, the Nodal Officer shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not;

8.8 If initial enquiries by the Nodal Officer indicate that the concern has no basis, or it is not a matter to be investigation under this Policy, it may be dismissed at that stage and the decision will be documented;

8.9 The Nodal Officer, if deems fit, may call for further information or particulars from the complainant.

9. INVESTIGATION

9.1 Where initial enquiries indicate that further investigation is necessary, this will be carried by the Nodal Officer. 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 will be made.

9.2 The Nodal Officer shall:

i) Make a detailed written record of the Protected Disclosure. The record will include:

a) Facts of the matter;

b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;

c) Whether any Protected Disclosure was raised previously against the same Subject;

d) The financial impact, if any.

e) Findings of the investigator;

f) Nodal Officer to report the matter to HR at appropriate time;

ii) The Nodal Officer shall finalize and submit the report to the Audit Committee immediately on completion of investigation;

9.3 Subject(s) will be given full opportunity to be heard before finalizing the investigation;

9.4 Subject(s) shall have a duty to co-operate with the Nodal Officer/Audit Committee or any of the Officers appointed by it in this regard.

9.5 Subject(s) have a right to consult with a person or persons of their choice, other than Nodal Officer / Investigators and/or members of the Audit Committee.

9.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

9.7 No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation. In the event of requirement of any further information or evidence, the Nodal Officer/investigator may approach the whistle blower to provide further details at any point of time.

9.8 Nodal Officer or any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

9.9 At no point of time i.e. either during pendency or after conclusion of investigation, though the information provided by the whistle blower may be acted upon, the outcome of such investigation being confidential in nature, the action if any taken by the Company, is not obliged to be informed to the whistle blower and at all points of time, the whistle blower is / will be obliged to maintain strict confidentiality of all or any information.

10. INVESTIGATION TIMELINES

In line with our existing investigations guidelines, the following actions will be performed by the CSIS Investigation unit.

10.1 The investigator's manager will perform a review and include a case note in the Case

Management System (CMS) at least once every 30 days, upon assignment to Investigator, until closure. The note should describe current investigation efforts remaining open and progress of a case.

10.2. If an investigation remains open beyond 120 days since the assignment, the respective Regional Director of Investigations (DOI) will review the progress of the case with the investigator and Manager and either endorse the case to remain open or recommend closure. If the case remains open after 120 days, the DOI will update case note once every 30 days.

10.3. If an investigation remains open beyond 180 days, the Regional Managing Director will perform an attestation in the CMS within and at least once every 30 days and thereafter until closure by inserting a unique note describing current investigation efforts remaining open and progress of a case.

10.4. If an investigation remains open beyond 270 days, the Global Head of Investigations will perform the aforementioned review and endorse the case to remain open or recommend closure in the CMS within 30 days.

10.5. For all Ethics Office investigations, investigators will:

- a) Update the Ethics Office on the status of the investigation at least every 30 calendar days from the date of assignment to the Investigative Function.
- b) Where the investigation is not concluded within 90 calendar days of the date reported to Citi, include in each subsequent 30 day update the reason(s) why the matter is over 90 days old.

10.6 On monthly basis, the Nodal officer will share a list of open cases with the Head of Investigation to check on the status of cases.

10.7 The endeavor to complete Investigations within 90 days will be done on a best effort basis. Cases breaching 90 days (case numbers with reasons of delay) shall be reviewed with MD of CFIL by Nodal officer on quarterly basis.

11. DECISION AND REPORTING

10.1 On submission of report, the Audit Committee shall discuss the matter with the Nodal Officer, who shall either:

- i) In case the Protected Disclosure is proved, accept the findings of the Nodal Officer and make recommendations to CFIL Management/ Citi Disciplinary Committee (CDC) to take such Disciplinary Action as he/she may think fit and take preventive measures to avoid reoccurrence of the matter;
- ii) In case the Protected Disclosure is not proved, close the matter; or
- iii) Depending upon the seriousness of the matter, the Audit Committee may refer the matter to the Board of Directors which should refer such matter to the Citi Disciplinary Committee (CDC).

10.2 In the event, that it is concluded upon investigation that, a complainant (in case of an employee) made false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Nodal Officer or the Audit Committee, shall be subject to appropriate action as may be decided by the Board of Directors in consultation with CDC.

12. PROTECTION

11.1 No unfair treatment will be meted out to a whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistleblower. Complete protection will, therefore, be given to whistleblower against any unfair practice.

11.2 The identity of the whistleblower shall be kept confidential to the extent possible and permitted under law.

11.3 Any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the whistleblower.

13. ACCESS TO THE AUDIT COMMITTEE

The Whistle Blower shall have right to access the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard in line with the process prescribed in this Policy.

The contact details are as under: **Audit Committee**

c/o: Nina Nagpal

Address - 9th Floor, First International Financial Center,
Bandra Kurla Complex (BKC), Bandra East,

Mumbai 400 098

Mail id –nina.nagpal@citi.com

14. SECRECY / CONFIDENTIALITY

The Whistle Blower, the Subject, the Nodal Officer and everyone involved in the process shall:

- a. Maintain complete and strict confidentiality / secrecy of the matter and proceedings;
- b. Not discuss the matter with any person other than one required for enquiry/investigation into the matter;
- c. Discuss only to the extent required for the purpose of completing the process and investigations;
- d. Not to keep the papers unattended anywhere at any time;
- e. Keep the electronic mails/files under password;

If anyone is found not complying with the above, he/she shall be held liable for such disciplinary and punitive action as is considered fit.

15. REPORTING

A half yearly report with number of complaints received under this Policy, if there is any, and their outcome shall be placed before the Audit Committee by Nodal Officer.

16. NOTIFICATION

A Whistle Blower Policy cannot be effective unless it is properly communicated to employees. The Human Resource (HR) will ensure notification and communication of the existence and contents of this policy to all the existing and new employees.

17. 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 a period of 8 (Eight) years or such other period as specified by any other law in force, whichever is more.

18. Review of the Policy

The adequacy of this Policy shall be reviewed annually by the Audit Committee and Board.

19. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees and directors unless the same is approved by the Audit Committee and Board and further notified to the employees and directors in writing.