

Business Responsibility Report

ANNEXURE F

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identification Number (CIN)	L65100TN1949PLC002905		
2	Name of the Company	Cholamandalam Financial Holdings Limited		
3	Registered office address	'Dare House', No. 234, NSC Bose Road, Chennai - 600 001		
4	Website	www.cholafhl.com		
5	E-mail	investorservices@cfhl.murugappa.com		
6	Financial Year reported	April 1, 2020 to March 31, 2021		
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code	Group	Description
		K	6430	Investment Activity
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Cholamandalam Financial Holdings Limited ('CFHL') is a Core Investment Company holding investments in group companies.		
9	Total number of locations where business activity is undertaken by the Company	1		
	(a) Number of International Locations (Provide details of major 5)	Nil		
	(b) Number of National locations	1		
10	Markets served by the Company	National		

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital (INR)	₹18.77 Crore
2	Total Turnover (INR)	₹58.14 Crore
3	Total profit after taxes (INR)	₹21.71 Crore
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.83%
5	List of activities in which expenditure in 4 above has been incurred	CSR activities undertaken during the year relate to: a) Promoting health care b) Livelihood enhancement of economically backward people c) Setting up homes for women and orphans.

SECTION C: OTHER DETAILS

1	Does the Company have any subsidiary company/companies?	Yes. Please refer Board's report for details.
2	Do the subsidiary company/companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The BR initiatives are undertaken by the respective group companies.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION**1. Details of Director / Directors responsible for BR:**

(a)	Details of the director/directors responsible for implementation of the BR policy/policies	
1.	DIN	01814413
2.	Name	Sridharan Rangarajan
3.	Designation	Director
4.	Telephone Number	044 - 25306204
5.	E-mail Id	sridharanr@corp.murugappa.com
(b)	Details of the BR head	
		Same as above

2. Principle-wise (as per NVGs) BR Policy/ Policies:

The 9 areas of business responsibility enunciated under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs are:

Principle ("P")	Area of BR
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle;
3	Businesses should promote the well-being of all employees;
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;
5	Businesses should respect and promote human rights;
6	Business should respect, protect and make efforts to restore the environment;
7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner;
8	Businesses should support inclusive growth and equitable development;
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2a. Details of compliance:

SN.	Questions	P.1	P.2	P.3	P.4	P.5	P.6	P.7	P.8	P.9
1	Do you have policy/policies for...	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Has the policy been formulated in consultation with the relevant stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Does the policy conform to any national / international standards?	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Indicate the link for the policy to be viewed online?	http://www.cholafhl.com/article/investors/688								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Does the Company have in-house structure to implement the policy/policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	x	x	x	x	x	x	x	x	x

2b. If answer to SI. No. 1 against any principle, is 'No', please explain why:

SN.	Questions	P.1	P.2	P.3	P.4	P.5	P.6	P.7	P.8	P.9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

a)	Indicate the frequency with which the Board of Directors, committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year.	The Company assesses its Business Responsibility performance annually.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. Business Responsibility Report forms part of the Annual Report. The report is published annually and is available on the website of the Company at http://www.cholafhl.com/article/profile/971

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1 - Ethics, Transparency & Accountability**

a)	Does the policy relating to Ethics, Bribery and Corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Yes. CFHL being a part of the Murugappa Group, is driven by the Group's guiding principles viz., integrity, passion, quality, respect and responsibility. The Company follows ethics, transparency & accountability in its business conduct. The Company has framed a code of conduct and policies to reinforce these values. CFHL's policies generally do not apply to external stakeholders including suppliers, contractors, NGOs etc., however, the Company along with its subsidiaries, associates and JV companies insist on adherence to ethical business practices by such agencies during their business dealings. The subsidiary / associate / joint venture companies are governed by their respective policies.
b)	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.	During the year, four complaints were received from the shareholders, all of which were attended to / resolved. No complaints were pending as at the end of the financial year.

Principle 2 - Safety and sustainability of goods & services

a)	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Not applicable. The Company being a Core investment company, it offers financial and risk management services through its subsidiary / associate / joint venture companies. The services offered by these companies enhance the livelihood of people by mitigating financial need and insurance coverage of health and assets.
b)	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	Since the Company's nature of business is financial services, sustainable sourcing is not applicable.
	(i) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?	-
	(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	-
c)	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	The nature of business of the Company being service oriented and not material resource intensive, sustainable sourcing for Company's products is not applicable.
d)	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company is a holding investment company. Goods and Services are procured from local vendors including communities surrounding the work place, wherever feasible.
e)	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).	Not applicable. However, the Company and its group companies have procedures in place for reduction of paper utilisation and disposal of e-waste in accordance with the applicable laws.

Principle 3 - Promotion of wellbeing of employees

a)	Please indicate the total number of employees.	2												
b)	Please indicate the total number of employees hired on temporary/contractual/casual basis.	Nil												
c)	Please indicate the number of permanent women employees.	1												
d)	Please indicate the number of permanent employees with disabilities.	Nil												
e)	Do you have an employee association that is recognized by management?	No												
f)	What percentage of your permanent employees is members of this recognized employee association?	Not applicable												
g)	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<table border="1"> <thead> <tr> <th>Category</th> <th>No. of complaints filed during the financial year</th> <th>No. of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>Child labour/forced labour/involuntary labour</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Sexual harassment</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Discriminatory employment</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year	Child labour/forced labour/involuntary labour	Nil	Nil	Sexual harassment	Nil	Nil	Discriminatory employment	Nil	Nil
Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year												
Child labour/forced labour/involuntary labour	Nil	Nil												
Sexual harassment	Nil	Nil												
Discriminatory employment	Nil	Nil												

h)	What percentage of your employees were given safety & skill up-gradation training in the last year?	Nil
	- Permanent Employees (includes women employees and employees with disabilities)	Not applicable
	- Casual/Temporary/Contractual Employees	Not applicable

Principle 4 - Responsiveness towards stakeholders

a)	Has the Company mapped its internal and external stakeholders?	Yes. The Company has processes and procedures in place to engage with the stakeholders.
b)	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	No. However, the company ensures that there is no discrimination against the marginalized stakeholders.
c)	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	Not applicable

Principle 5 - Promoting human rights

a)	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company's policy on human rights is imbibed in its values represented in the five lights guiding the Company, its group companies and their employees across all spheres. The alignment with this value system is expected out of every person dealing with the Company.
b)	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints on human rights issues during the financial year.

Principle 6 - Protecting the environment

a)	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers/ Contractors/NGOs/others.	The Company being a holding investment company, it does not have a direct environmental impact.
b)	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.?	Not applicable
c)	Does the Company identify and assess potential environmental risks?	Not applicable
d)	Does the Company have any project related to Clean Development mechanism?	Not applicable
e)	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. ?	The Company promotes 'Green Initiative' and sends various communications, including notices and annual report, to its members in electronic mode to their registered e-mail addresses, thus reducing usage of papers. Members have been requested to register their e-mail addresses to receive Annual Report and other communications through e-mail instead of paper mode.
f)	Are the emissions/wastes generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable
g)	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.	Nil

Principle 7 - Responsibility towards public and regulatory policy

a)	Is your Company a member of any trade and chamber or association?	No
b)	Have you advocated/lobbied through above associations for the advancement or improvement of public good?	Not applicable

Principle 8 - Supporting inclusive growth and development

a)	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?	Yes. The Company has framed a Corporate Social Responsibility policy (CSR policy). CSR projects / programmes identified in line with the CSR policy are undertaken by the Company. Please refer CSR Report for further details.
b)	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Yes. Please refer CSR Report.
c)	Have you done any impact assessment of your initiative?	No
d)	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Yes. Please refer CSR Report.
e)	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Initiatives are identified based on the requirement of the community such that the benefits out of them are of an enduring nature.

Principle 9 - Providing value to customers & consumers

a)	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Nil
b)	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Not applicable, since the Company is into investment activity.
c)	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?	No
d)	Did your Company carry out any consumer survey/ consumer satisfaction trends?	No. Consumer satisfaction surveys are carried out by the respective group companies.