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**WHISTLE BLOWER POLICY**

**OF**

**HINDUSTAN MOTORS LIMITED**

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TABLE OF CONTENTS

I. PREAMBLE..... 1

II. DEFINITIONS..... 1

III. INTERPRETATION ..... 2

IV. SCOPE..... 2

V. APPLICABILITY/ ELIGIBILITY ..... 3

VI. DISQUALIFICATION ..... 3

VII. GUIDELINES..... 3

VIII. PROTECTION TO WHISTLE BLOWER ..... 5

IX. ANNUAL AFFIRMATION..... 6

X. RETENTION OF DOCUMENTS ..... 6

XI. AMENDMENT ..... 6

## I. PREAMBLE

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.

Section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, effective from April 1, 2014 and amended Clause 49 of the Equity Listing Agreement effective from October 1, 2014, inter alia, provides for a mandatory requirement for all listed companies and such other companies to establish an effective vigil mechanism enabling stakeholders, including individual Employees and their representative bodies, to freely communicate their concerns about illegal or Unethical Practices.

Accordingly, this Whistle blower Policy ("**the Policy**") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The Policy is formulated to provide opportunity to Directors and Employees to access in Good Faith, to the Audit Committee in case they observe Unethical and Improper practices or any other wrongful conduct in the Company and to prohibit Managerial Personnel from taking any Adverse Personnel Action against those Employees.

## II. DEFINITIONS

1. "**Adverse Personnel Action**" means an employment-related act or decision or a failure to take appropriate action by Managerial Personnel which may affect the Employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.
2. "**Alleged Wrongful Conduct**" shall mean violation of law, infringement of Company's Code of Business Conduct and Ethics, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
3. "**Audit Committee**" shall mean a Committee of Directors of the Company, constituted in accordance with provisions of Section 177 of Companies Act, 2013 read with Clause 49 of Listing Agreement entered into by the Company with Stock Exchanges.
4. "**Chief Executive Officer**" shall mean chief executive officer of the Company.
5. "**Company**" shall mean, "Hindustan Motors Limited."
6. "**Compliance Officer**" shall mean the Company Secretary of the Company.
7. "**Employee**" shall mean every employee of the Company, including the Directors in employment of the Company.
8. "**Good Faith**" shall mean an Employee shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of Unethical and Improper practices or any other Alleged Wrongful Conduct. Good Faith shall be deemed lacking

when the Employee does not have personal knowledge of a factual basis for the communication or where the Employee knew or reasonably should have known that the communication about the Unethical and Improper practices or Alleged Wrongful Conduct is malicious, false or frivolous.

9. **“Head of Department** shall mean the managerial personnel heading any department of the Company as per the Company’s policy.
10. **“Managing Director”** shall mean the managing director of the Company.
11. **“Managerial Personnel”** shall include all Executive at the level of General Manager and above, who has authority to make or materially influence significant personnel decisions.
12. **“Policy or This Policy”** shall mean the “Whistle Blower Policy.”
13. **“Protected Disclosure”** means any communication made in Good Faith that discloses or demonstrates information that may evidence unethical or improper activity.
14. **“Subject”** shall mean a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
15. **“Unethical and Improper practices”** shall mean:
  - (i) An act which does not conform to approved standard of social and professional behaviour;
  - (ii) An act which leads to unethical business practices;
  - (iii) Improper or unethical conduct; and
  - (iv) Breach of etiquette or morally offensive behaviour, etc.
16. **“Whistle Blower”** shall mean an Employee or Director of the Company who makes Protected Disclosure under this policy

### III. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or Securities and Exchange Board of India Act, 1992 and/or any other regulation(s) as amended from time to time.

### IV. SCOPE

The Policy is an extension of the Company’s Code of Business Conduct and Ethics for Directors and Senior Management Executives. The policy covers malpractices and events which have taken place / suspected to take place involving abuse of authority, breach of contract, manipulation of company data, financial irregularities, pilferation of confidential data, violation of law etc. The Whistle Blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

Moreover, The Whistle Blowers do not have right to participate in any investigation activity until requested by the Chairman of Audit Committee.

## **V. APPLICABILITY/ ELIGIBILITY**

This policy applies to all permanent Employees and Directors of the Company to make Protected Disclosure under the policy.

## **VI. DISQUALIFICATION**

1. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment and any abuse of this protection will warrant disciplinary action.
2. Protection under this Policy would not mean protection from disciplinary action arising out of false or frivolous allegations and allegation made in retaliation by a Whistle Blower knowing it to be false or frivolous or with a mala fide intention.
3. Whistle Blowers who make any Protected Disclosures which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 (three) or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in Good Faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

## **VII. GUIDELINES**

### **1. Internal Policy & Protection under Policy**

This Policy is an internal policy on Protected Disclosure by a Whistle Blower of any Unethical and Improper Practices or wrongful conduct and access to the Head of Department or in case it involves Managerial Personnel access to the Managing Director/ Chief Executive Officer and in exceptional cases access to the Chairman of Audit Committee of Directors constituted by the Board.

This Policy prohibits the Company to take any Adverse Personnel Action against the Whistle Blower for disclosing in Good Faith any Unethical and Improper Practices or Alleged Wrongful Conduct to the Audit Committee. Any Employee against whom any Adverse Personnel Action has been taken due to his Protected Disclosure of information under this policy, may approach the Audit Committee. Furthermore, if any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

### **2. False Allegation & Legitimate Employment Action**

An Employee who knowingly makes false allegations of Unethical and Improper Practices or Alleged Wrongful Conduct to the Audit Committee shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further, this policy may not be used as a defence by an Employee against whom an Adverse Personnel Action has been taken independent of any

disclosure of information by him and for legitimate reasons or cause under Company rules and policies.

### **3. Disclosure & Maintenance of Confidentiality**

A Whistle Blower who observes or notices any Unethical and Improper Practices or Alleged Wrongful Conduct in the Company may make a Protected Disclosure either typed or written in English, Hindi or in any regional language of the place of employment of Whistle Blower to the Head of Department or in case it involves Managerial Personnel to the Managing Director/Chief Executive Officer and in exceptional cases to Audit Committee through e-mail addressed to the Chairman of Audit Committee at [sanjay.basu@khaitanco.com](mailto:sanjay.basu@khaitanco.com) or such other e mail address as may be changed and informed from time to time. Confidentiality of Whistle Blower shall be maintained to the greatest extent possible.

### **4. Procedure**

- (i) A Whistle Blower who observes any Unethical and Improper Practices or Alleged Wrongful Conduct shall make Protected Disclosure to the Head of Department or in case it involves Managerial Personnel to the Managing Director/Chief Executive Officer and in exceptional cases to the Audit Committee as soon as possible but not later than 60 (sixty) calendar days after becoming aware of the same.
- (ii) The Departmental Head shall immediately forward Whistle Blower Report to the Managing Director/ Chief Executive Officer of the Company. The Managing Director/ Chief Executive Officer may inquire in respect of the Whistle Blower Report and after preliminary inquiry, if required, shall report the same to the Audit Committee.
- (iii) Audit Committee shall appropriately and expeditiously investigate all Whistle Blower reports received. In this regard, Audit Committee, if the circumstances so suggest, may appoint a senior executive or a committee of Managerial Personnel to investigate into the matter and prescribe the scope and time limit therefore.
- (iv) Audit Committee shall have right to outline detailed procedure for an investigation.
- (v) Where the Audit Committee has designated a senior executive or a committee of Managerial Personnel for investigation, they shall mandatorily adhere to scope and procedure outlined by Audit Committee for investigation.
- (vi) The Audit Committee or officer or committee of Managerial Personnel, as the case may be, shall have right to call for any information/document and examination of any Employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy.
- (vii) A report shall be prepared after completion of investigation and the Audit Committee shall consider the same.
- (viii) After considering the report, the Audit Committee shall determine the cause of alleged Adverse Personnel Action and may order for remedies which may inter-alia include:

- (a) Order for an injunction to restrain continuous violation of this policy;
  - (b) Reinstatement of the Employee to the same position or to an equivalent position; and
  - (c) Order for compensation for lost wages, remuneration or any other benefits, etc.
- (ix) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in the investigation report.
  - (x) The decision of Audit Committee shall be final and binding.
  - (xi) If and when the Audit Committee is satisfied that the alleged Unethical and Improper Practice or wrongful conduct existed or is in existence, the Audit Committee may –
    - (a) recommend to Board to reprimand, take disciplinary action, impose penalty / punishment order recovery when any alleged Unethical and Improper Practice or wrongful conduct of any Employee is proved.
    - (b) recommend termination or suspension of any contract or arrangement or transaction vitiated by such Unethical and Improper Practice or wrongful conduct.
  - (xii) Subjects have a right to be informed of the outcome of the investigation.
  - (xiii) The investigation shall be completed normally within 90 (Ninety) days of the receipt of Protected Disclosure.

## **5. Notification**

All departmental heads are required to notify and communicate the existence and contents of this policy to the Employees of their department. Every departmental head shall submit a certificate duly signed by him to the Compliance Officer that this policy was notified to each Employees of his department. The new Employees shall be informed about the policy by the Personnel department and statement in this regard should be periodically submitted to the Compliance Officer.

This policy as amended from time to time shall be made available at the Web site of the Company.

## **VIII. PROTECTION TO WHISTLE BLOWER**

1. If the Whistle Blower raising concern under this Policy shall not be subject to suffering of any form of reprisal or retaliation, including any discrimination, reprisal, harassment or vengeance in any manner.
2. The Whistle Blower shall not be at the risk of losing her/his job or suffer loss in any manner like transfer, demotion, refusal of promotion etc.

The Company shall however take strict actions against such Whistle Blower if any act of the Whistle Blower is effectuated due to any personal gain, victimization or harassment.

**IX. ANNUAL AFFIRMATION**

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to Whistle Blower from Adverse Personnel Action.

The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company and in the Board's Report.

**X. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigations relating thereto shall be retained by the Company for a minimum period of three years.

**XI. AMENDMENT**

The Company reserves the 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 unless the same is notified to the Employees in writing.

This policy has been approved by Board of Directors of the Company at its meeting held on 25<sup>th</sup> September, 2014.

**The Chairperson of the Audit Committee is Smt. Mou Mukherjee with effect from 28<sup>th</sup> April, 2015 and her email ID is moumukherjee@taiind.com.**