

WHISTLE BLOWER POLICY

1. INTRODUCTION

The Whistle Blower Policy for HMT Limited., its all Subsidiaries and Units came into force after its approval by Board of Directors of HMT Ltd on 19.06.2018.

The Policy provides for a mechanism for employees, Directors of the Company to report, concerns about unethical behaviour, corruption, wilful misuse of power, wilful misuse of discretion, actual or suspected fraud, or violation of the Company's general guidelines on conduct or ethics of the company. This mechanism also provides for adequate safeguards against victimisation of person who makes such complaint/disclosure

The Company has adopted a Code of Conduct for Board of Directors and Senior Management of the Company ("the Code"), which lays down the principles and standards that should govern their actions in the conduct of business of the Company. The said Code is also placed on the website of the Company. Further, all the employees of the Company are expected to adhere to the standing orders or 'Conduct, Discipline and Appeal (CDA) Rules' as applicable to the individual which encompass the ethical and moral practices in their conduct relating to the business of the Company.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Hence, a vigil mechanism is required to be established to enable the directors and employees to bring to the knowledge of the management, violation, if any, in the code of conduct and ethical behavior of fellow employee in his / her conducting the business of the Company. Such a vigil mechanism shall also provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

2. RELEVANT PROVISION/REGULATIONS/GUIDELINES

2.1 Under the Companies Act 2013

Section 177 of the Companies Act, 2013 provides as follows:-

*Sub section 9 - 'Every listed company or such class or classes or classes of companies, as may be prescribed, shall establish a vigil mechanism **for directors and employees** to report genuine concerns in such manner as may be prescribed'.*

Sub section 10 - 'The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimisation of persons who use such mechanism and make

provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:

Provided that the details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's report.

2.2 **Under the SEBI (LODR) Regulation 2015 (Listing Agreement)**

Regulation 4(2)(d)(iv) of the SEBI Listing Regulations provides that a listed entity shall devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

2.3 **Under DPE Guidelines on Corporate Governance for CPSEs**

DPE Guidelines on Corporate Governance for CPSEs provides that the Audit Committee constituted by the Board has to review the functioning of the Whistle Blower Mechanism.

3. **DEFINITION**

3.1 **'Audit Committee'** means the Audit Committee as per section 177 of the Companies Act, 2013.

3.2 **'Company'** means HMT Limited (including its subsidiaries and Units).

3.3 **'Competent Authority'** means the Chairman & Managing Director (CMD) or any other person nominated by CMD to receive and deal with complaints under this policy from time to time.

3.4 **'Employee'** means

- An individual in the employment & on deputation to the Company
- Employees hired on contract basis directly by the Company or through any other agency.

3.5 **'Fraud'** includes any act, omission, concealment of any fact or abuse of position committed by any employee or with his connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of the Company or its employees.

3.6 **'Investigator (s)'** means a person (s) authorized, appointed, consulted or approached by the Competent Authority / Chairman, Audit Committee in connection with conducting investigation into a complaint and it could be the Auditor's of the Company also.

3.7 **"Protected Disclosure"** means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or

improper activity. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

- 3.8 **“Screening Committee”** means a committee constituted under this policy with such number of members nominated by **Chairman and Managing Director**.
- 3.9 **“Unethical Behaviour”** includes actions such as the ones given below but not limited to:
- a. Abuse of Authority
 - b. Action aimed at taking advantage of another without his knowledge or consent
 - c. Financial irregularities
 - d. Disclosure of confidential / proprietary information to unauthorized persons
 - e. Misappropriation of funds/ assets
 - f. Non-conformance to reasonable standard of social or professional behaviour, or
 - g. Any other biased favoured or imprudent action
- 3.10 **“Victimization”** means punishment or discrimination against the Whistle Blower selectively or unfairly.
- 3.10 **“Whistle Blower”** means the Employees and Directors who makes Protected Disclosure under this policy in relation to matters concerning the Company.

4. DETAILS OF AUTHORITY

- 4.1 The contact details of **Chairman & Managing Director** / Competent Authority are as under:

Chairman & Managing Director

HMT Limited
HMT Bhavan, 59, Bellary Road
Bangalore – 560 032,
Phone No. 080 - 23330333

- 4.2 The contact details of Chairman, Audit Committee are as under:

Chairman, Audit Committee

O/O the Company Secretary, HMT Limited
HMT Limited
HMT Bhavan, 59, Bellary Road
Bangalore – 560 032,

(Super scribed on the sealed envelope “Protected Disclosure under the Whistle Blower Policy to be opened only by the addressee”)

5. **COVERAGE OF THE POLICY:**

Whistle Blower being the Employees and Directors shall make the Protected Disclosure under this policy in relation to matters concerning below pertaining to the Company.

The Policy covers unethical behaviour, corruption, willful misuse of power, willful misuse of discretion, actual or suspected fraud, or violation of the Company's general guidelines on conduct or ethics of the company

6. **WHISTLE BLOWER PROTECTION**

- 6.1 The identity of the Whistle Blower shall not be revealed
- 6.2 The Whistle Blower shall not be subjected to victimization due to the fact that he had filed a complaint under this policy.
- 6.3 If the Whistle Blower is required to give evidence in legal or disciplinary proceedings, arrangements towards his travel etc. will be made, or expense incurred by him in this connection will be reimbursed, as per his entitlement as per rules.
- 6.4 Protection under this policy would not mean protection against disciplinary action arising out of false, motivated or vexatious complaint made by a Whistle Blower.
- 6.5 Any other employee assisting in the investigation or furnishing evidence in respect of complaint shall also be protected.

7. **CONTENT OF PROTECTED DISCLOSURE**

- 7.1 The complaint should be sent in a closed/secured/sealed envelope.
- 7.2 The Complaint should preferably be made in Hindi or English.
- 7.3 The complaint should either be typed or written in legible handwriting and should provide a clear understanding of the issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.
- 7.4 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the subject matter of the Complaint, then Whistle Blower may send the complaint directly to the **Chairman, Audit Committee** in a sealed cover super scribed "**Protected Disclosure under the Whistle Blower Policy to be opened only by the addressee**" to the address mentioned in Para 4.2.

- 7.5 The Whistle Blower should give his name, address, contact number (s) and email address in the beginning or at the end of complaint or in an attached letter so that the same can be concealed, while processing further.
- 7.6 The text of the complaint should be carefully drafted so as not to give any details or clue as to the Whistle Blower's identity. However, the details of the complaint should be specific and verifiable.
- 7.7 The envelope should be addressed by name to the Competent Authority or the Chairman, Audit Committee, as the case may be and should be super scribed **"Protected Disclosure under the Whistle Blower Policy to be opened only by the addressee"**. If the envelope is not closed/ secured and not super scribed, then it may not be possible to protect the identity of the Whistle Blower.
- 7.8 Whistle Blower should not enter into any correspondence with the Competent Authority / Chairman, Audit Committee in their own interest. If any further clarification is required, the Whistle Blower will be contacted.
- 7.9 Anonymous or pseudonymous complaints shall not be entertained.

8. PROCEDURE AFTER RECEIPT OF PROTECTED DISCLOSURE

- 8.1 The Competent Authority or the Chairman, Audit Committee, as the case may be, shall upon receipt of the complaint, ascertain from the complainant, whether he was the person who made the complaint or not.
- 8.2 If the Audit Committee of the Company is not in place due to any reason, then the Board of Directors will nominate one of the Directors to discharge the functions of the Chairman, Audit Committee, under this policy
- 8.3 After concealing the identity of the Whistle Blower, the Competent Authority or the Chairman, Audit Committee, as the case may be shall send the complaint to the Screening Committee. However, in case of conflict of interest between the subject matter of the complaint and any member(s) of the Screening Committee, the complaint may be sent directly to the Investigator (s) for investigation and report or may be dealt with in a manner as deemed fit.
- 8.4 Complaints against the Board Level Executives shall, after concealing the identity, be forwarded by the Competent Authority or the Chairman, Audit Committee, as the case may be, to the CVO of Department of Heavy Industry, Ministry of Heavy Industry and Public Enterprises, Government of India, for further processing.
- 8.5 The Screening Committee upon receipt of the complaint may make discreet inquiry to ascertain whether there is any basis for proceeding further to investigate the complaint.

- 8.6 If the Screening Committee, as a result of the discreet inquiry or otherwise, is of the opinion that the complaint requires further investigation, it will make a recommendation to forward the complaint to the investigator(s) for further investigation. On receipt of the recommendation, the Competent Authority or the Chairman, Audit Committee, as the case may be, shall forward the complaint to the Investigator (s) for further investigation and report.
- 8.7 If the Screening Committee is of the opinion that there are no sufficient grounds for proceeding further on the complaint, it shall recommend closure of the matter and filing of the complaint.
- 8.8 The Screening Committee shall make the recommendations ordinarily within **two weeks** from the date of receipt of the complaint. In the absence of any member(s), the available member(s) of the committee shall make the recommendations.
- 8.9 The investigator(s) may require, for the purpose of any investigation, any employee(s) who in its opinion shall be able to furnish information or produce documents relevant to the investigation or assist in the investigation, to furnish any such information or produce any such document as may be necessary for the said purpose.
- 8.10 If the investigator(s), as a result of the investigation, are of the opinion that the complaint discloses the existence of unethical behaviour, actual or suspected fraud, or violation of the Company's general guidelines on conduct and ethic as prescribed in HMT. they may make any of the following recommendations:-
- (a) Appropriate action to remedy the unethical behaviour, actual or suspected fraud, or violation of the Company's general guidelines or conduct and ethics and/or to prevent their re-occurrence.
 - (b) Appropriate disciplinary action against the concerned person by his Disciplinary Authority if the complaint prima-facie discloses an act of omission or commission which amounts to misconduct under HMT CDA Rules/Standing Orders, as the case may be.
 - (c) Any other action as deemed fit.
- 8.11 If the complaint is found to be false, motivated or vexatious, the Investigator(s) shall recommend appropriate disciplinary action against Whistle Blower.
- 8.12 If it is found that there are no sufficient grounds for proceeding further on the complaint, the investigator(s) shall recommend closure of the matter
- 8.13 The Investigator(s) shall, submit their recommendations to the Competent Authority ordinarily within one month from the date of receipt of the complaint.

- 8.14 If the Competent Authority or the Chairman, Audit Committee, as the case may be, agrees with the recommendations of the Investigator (s), he shall take further action on the complaint as per the recommendations. If, however, the Competent Authority or the Chairman, Audit Committee, as the case may be, does not agree with the recommendations of the Investigator (s), he shall take such action as deemed fit.
- 8.15 The final action taken on the complaint shall be conveyed to the Whistle Blower by the Competent Authority or the Chairman, Audit Committee, as the case may be, ordinarily within six months from the date of receipt of complaint. If, however, final action has not been taken within this period, then an interim intimation on the status of the complaint will be sent to the Whistle Blower.
- 8.16 Any person who needs any further information/clarification from the Whistle Blower shall request the Competent Authority / Chairman, Audit Committee to obtain the same, who will contact the Whistle Blower for obtaining such information/clarification.
- 8.17 If the Whistle Blower feels aggrieved with the final action taken on his complaint by the Competent Authority or if he feels that protection, which he is entitled to has not been provided, then he may make a representation in writing of his grievance to the Chairman, Audit Committee, who will take such action as may be considered necessary to redress the grievance.
- 8.18 The Competent Authority/ Chairman, Audit Committee shall not entertain or inquire into any disclosure/complaint —
- (a) in respect of which a formal and public inquiry under the Public Servants (Inquiries) Act, 1850; or
 - (b) in respect of a matter which has been referred for inquiry under the Commissions of Inquiry Act, 1952.
 - (c) in respect of matter which are under judicial proceedings and sub judice

9. REPORTING

The Screening Committee shall submit a quarterly report of the protected disclosure received and the action taken thereon to the Audit Committee/Competent Authority as per the prescribed format. The report will be submitted within 15 days from the end of each Quarter and for any other period, if required through Company Secretary

10. AMENDMENT

This policy can be amended or abrogated at any time with the approval of the Board of Directors of HMT Limited