

**HINDUSTHAN MERCANTILE LIMITED**  
**CIN: L67190WB1944PLC011627**

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

**1. PURPOSE**

The establishment of a vigil mechanism through a Whistle Blower Policy is necessary to encourage the Directors and Employees (hereinafter referred to as '**Employees**') to report genuine concerns or instances of unethical behavior, actual or suspected frauds or violation of Company's Code of Conduct.

Such a mechanism also provides adequate safeguards against victimization of persons who avail this mechanism and provides direct access to Chairman of Audit Committee in appropriate or exceptional cases.

**2. DEFINITIONS**

'**Alleged Activity**' shall mean unethical behavior, actual or suspected fraud, violation of law or Company's code of Conduct.

'**Protected Disclosure**' shall mean any communication made in good faith which demonstrates or discloses alleged activity.

'**Whistleblower**' means Employee who makes a Protected Disclosure under this policy.

**3. PROCEDURE FOR MAKING PROTECTED DISCLOSURE**

- (a) Whistleblower should indicate his identity and make protected disclosure in writing addressed to the Chairman of Audit Committee in a sealed envelope and marked as 'Protected Disclosure'.
- (b) The reporting should be factual and in good faith and shall not be made with false allegations and malafide intentions.

**4. INVESTIGATION**

- (a) The decision to conduct investigation of a protected disclosure will be taken by the Audit Committee.
- (b) The protected disclosure should be recorded and thoroughly investigated based on information received. The investigation may be conducted by Audit Committee itself or may be assigned to any Officer of vigilance or an Investigating Agency, if required.
- (c) The identity of the Whistleblower shall be kept confidential except when it is considered necessary to be disclosed or as required by law.

- (d) The person against whom investigation is being conducted shall be informed in writing about the allegations made against him, investigation being carried thereon and the outcome of such investigations. He should be given an opportunity to appear before the appropriate authority for being heard or for producing documents in his defence.
- (e) The person concerned shall co-operate with investigating authorities.
- (f) The investigation should be completed within a time frame of two months from the receipt of protected disclosure unless extended by the Audit Committee depending on the merit of the situation.

## **5. PROTECTION**

- a) Whistleblower should be accorded complete protection against unfair treatment, discrimination, harassment, victimization or adverse employment condition for having made protected disclosure.
- b) Similarly, persons other than whistleblower who are assisting to carry out the investigation should be accorded protection in same way like whistleblower.

## **6. DISQUALIFICATIONS**

- (a) Protection under this policy should not mean protection from disciplinary action arising due to false allegations made by a Whistleblower knowing it to be false or with a malafide intention.
- (b) Whistleblowers who make two or more protected disclosures which are subsequently found malafide, baseless, malicious or otherwise than in good faith will be disqualified from reporting further.

## **7. REPORTING**

- (a) The Audit committee will submit the Investigation Report to the Company Management along with supporting material and information for necessary action.
- (b) The complainant shall be subject to disciplinary action in accordance with the rules, procedure and policy of the Company.

## **8. CONFIDENTIALITY**

The persons associated with the investigation including Audit Committee Members, Members of Investigating Agency, Complainant, whistleblower and other persons involved shall maintain strict confidentiality relating to investigation, desist from discussing with others about the investigation matter unless required for investigation purposes only and keep all the papers in a secured place at all the times when investigation is in progress.