

WHISTLE BLOWER POLICY/

VIGIL MECHANISM

Mohindra Fasteners Limited

MOHINDRA FASTENERS LIMITED'S WHISTLE BLOWER POLICY

(The whistle blowing policy should either be drafted and circulated independently or should form a part of code of conduct of the company)

Objectives of policy

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 to speak out if they have legitimate concerns about wrongdoing, as distinct from individual grievances. The company makes it clear that employees who blow the whistle in good faith will not suffer any sort of detriment or be dismissed. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for the direct access to the chairman of the audit committee. However malicious allegations and other abuses of the whistleblowing policy are disciplinary offences.

Scope Of The policy

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

Interpretation clause:

1. **Genuine concerns:** A genuine concern means any disclosure of the information which in the reasonable belief of an employee making the disclosure, tends to show one or more of the following
 - a. that a criminal offence has been committed, is being committed or is likely to be committed,
 - b. that a person has failed, is failing or is likely to fail to comply with any legal obligation to which he is subject
 - c. that a miscarriage of justice has occurred, is occurring or is likely to occur,
 - d. that the health or safety of any individual has been, is being or is likely to be endangered,
 - e. that the environment has been, is being or is likely to be damaged, or
 - f. That information tending to show any matter falling within any one of the preceding paragraphs has been is being or is likely to be deliberately concealed.
 - g. Questionable accounting, fraud or auditing practices
 - h. Abuse of power or authority for any unauthorized or ulterior purpose.

For above purposes, it is immaterial whether the relevant failure occurred, occurs or would occur in India or elsewhere, and whether the law applying to it is that of the India or of any other country or territory.

A disclosure of information is not a genuine concern if the person making the disclosure commits an offence by making it.

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2. **Company:** means Mohindra Fasteners Limited
3. **Board:** means the board of directors of the company
4. **Audit Committee:** means a committee constituted by the board of directors of the company under the provisions of the companies Act 2013 (section 177 of the companies Act 2013)
5. **Code**” means Code of Conduct for Directors and Senior Management Executives adopted by the board of **Mohindra Fasteners Limited**
6. **Competent Authority:** means the chairman of the Audit Committee of the board and will include any person(s) to whom he may delegate any of his powers as the competent authority or to investigate into the complaints under this policy from time to time.
7. **Employee:** means any employee of the company (whether working in india or abroad), including the directors in the employment of the company.
8. **Protected Disclosure:** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
9. **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.
10. **Whistle blower:** means an employee making a protected disclosure under this policy.
11. **Good faith:** An employee shall be deemed to be communicating in good faith, if there is a reasonable basis for communication of unethical and improper activities or any other wrongful conduct in the company.

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 activities or alleged wrongful conduct is malicious, false or frivolous.
- 12 **Investigators:** mean those persons authorised, appointed, consulted, or approached by the board of directors/audit committee of the board in connection with conducting investigation into a protected disclosure.

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The Guiding Principles

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 whistle blower 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 on such person(s).
- c. Ensure complete confidentiality of the whistle blower will be maintained.
- d. Evidence of the protected disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.
- e. To observe the principles of natural justice (Audi Altram partam).
- f. The whistle blower should bring to the attention of the competent authority at the earliest any unethical and improper activities or any other wrongful conduct in the company. Although they are not required to provide proof, they must have sufficient cause for concern.

Whistleblower - Role and Protection

1. The whistle blower shall co-operate with investigating authorities, maintaining full confidentiality.
2. The whistle blower's is that of a reporting party with reliable information.
3. The whistle blower may also be associated with the investigations, if the case so warrants.
4. The whistle blower is not required or expected to conduct any investigations on his own.
5. Protected disclosure will be appropriately dealt with by the competent authority.
6. The whistle blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

Protection

1. Genuine whistle blowers will be accorded protection from any kind of harassment/unfair treatments/victimization. However \, motivated and frivolous disclosures shall be discouraged.
2. If the whistle blower is required to give evidence in criminal disciplinary proceedings, arrangements will be made for the whistle blower to receive advice about the procedure. Expenses incurred by the whistle blower in connection with the above, towards travel etc. will be reimbursed as per normal entitlements.
3. Any other employee assisting in the said investigation shall also be protected to the same extent as the whistle blower.

Disqualifications

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1. While it will be ensured that genuine whistle blowers are accorded complete protection from any kind of unfair treatment as herein set out, 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 bogus allegations made by a whistle blower and knowing it to be false or bogus or with *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 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 disclosure under this policy.

Procedures – essentials and handling of protected disclosure

- a) The protected disclosure/complaint should be attached to a letter bearing the identity of the whistle blower/complainant i.e. His/her name, employee code number and location, and should be inserted in an envelope which should be closed/secured/sealed. The envelop thus secured /sealed should be addressed to the competent authority and should be superscribed "protected disclosure". **(if the envelop is not superscribed and closed/sealed/secured, it will not be possible to provide protection to the whistle blower as specified under this policy)**
- b) If the whistle blower believes that there is a conflict of interest between the competent authority and the whistle blower, he may send his protected disclosure directly to the board of directors.
- c) Anonymous or pseudonymous protected disclosure should not be entertained.
- d) Protected disclosure should either be typed or written in legible handwriting in English, Hindi or regional language of the place of employment of the whistle blower and should provide a clear understanding of the any unethical and improper activities or any other wrongful conduct in the company being 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.
- e) Investigations into any improper activity which is the subject matter of an inquiry or order under the public servants Inquires Act, 1850 or under the commissions of inquiry Act 1952, will not come under the preview of this policy.
- f) The contact details of the competent authority for addressing and sending the protected disclosure is as follows.

Chairman, Audit committee of the Board
Competent Authority, Whistle Blower mechanism
Mohindra Fasteners Limited
Address: 304 GUPTA ARCADE, INDER ENCLAVE, DELHI-ROHTAK ROAD, NEW DELHI-41
- g) The competent authority shall mark the envelope containing the protected disclosure to a dedicated confidential section, which shall maintain the record.
- h) The competent authority shall weed out frivolous complaints and the protected disclosure(s) which require further investigation shall be forwarded to the investigator(s) nominated for this purpose.

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- i) The investigator(s) shall endeavor to meet as early as possible, preferably within 30 days of receipt of protected disclosures.

Investigation and role of investigators

1. Investigations shall be launched if the investigator (s) is satisfied after preliminary review that.
 - The alleged act constitutes any unethical and improper activities or any other wrongful conduct in the company, and
 - The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information; it is felt that the concerned matter deserves investigation.
2. The decision taken by the investigator(s) to conduct an investigation is by itself not to be constructed as an accusation and is to be treated as a neutral fact finding process
3. The identity of the subject(s) and the whistle blower(s) will be kept confidential.
4. Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.
5. Subject(s) shall have a duty to co-operate with the investigator(s) during the investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroy or tempered with, and witnesses shall not be influenced ,coached, threatened or Intimidated by the Subject(s).
7. Unless there are compelling reasons not do to so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing Against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
8. The investigation shall be completed normally within 30 days of the date of receipt of the protected disclosure or such extended period as the competent authority may permit for reason to be recorded in writing which shall not be more than 90 days in any case.
9. Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigators

10. Investigators are required to conduct a process towards fact-finding and analysis. Investigator(s) shall derive their authority from competent authority when acting within the course and scope of their investigation. The investigator(s) shall submit his/their report to the competent authority.
11. All investigators shall perform their role in an independent and unbiased manner. Investigators shall be bound by the principle of fairness, objectivity, thoroughness, ethical behavior and observance of highest professional standards.

Action

12. If the competent authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable in law, the competent authority may direct the concerned authority to take disciplinary action under applicable statutory provisions.

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13. The competent authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the reoccurrence of such improper activity.
14. If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filled by the investigator(s) to the chairman of the audit committee.

Reporting to the Audit Committee by the Investigator(s)

The investigator(s) shall submit a quarterly report of the protected disclosure, received and of the investigation conducted, and of the action taken to the audit committee of the board.

All the unit heads at the corporate office and Heads of all departments are required to notify and communicate the existence and contents of this policy to the employees working under them.

The whistle blower policy shall be prominently displayed on all notice boards of the company, circulated to all recognized Unions/associations, this policy, including the amendments if any, shall also be made on the company website.

The company shall annually affirm that it has not denied any employee access to the audit committee and that it has provided protection to the whistle blower from adverse action. The affirmation shall form part of corporate governance report as attached to the annual report of the company.

Amendment:

This policy can be modified at any time by the board of directors of the company. Such modifications shall also be reported to the audit committee of the board.