
VIGIL MECHANISM (WHISTLE BLOWER POLICY)
HOUSING DEVELOPMENT AND INFRASTRUCTURE
LIMITED

Mav 23. 2014

I. Preface:

Housing Development and Infrastructure (“the Company”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior and the Directors and its employees play an important role to achieve it. To promote the highest ethical standards and transparency in operations and participative management, the Company is implementing a Vigil Mechanism i.e Whistleblower Policy (“the Policy) with a view, to provide a mechanism for the Directors and employees of the Company to raise concerns of any violations, actual or suspected, of any legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. This mechanism shall also provide for adequate safeguards against victimization of persons who avail of the mechanism.

II. Objective:

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 who have concerns about actual or suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This Policy aims to provide an avenue for employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The objective of this policy is to:

- ✓ Clearly define the Company’s policy on whistle blowing and whistle blower protection;
- ✓ Act as a reference guide to potential Whistle Blowers wishing to make a disclosure;
- ✓ Define the structure of the Whistle Blower system including:
 - Reporting system
 - Assessment of Disclosures
 - Investigation
 - Post Investigation Procedures
 - Whistle Blower Protection
 - Confidentiality; and
 - Review of the Policy

III. Scope and Applicability

This policy extends to the Company and its Subsidiaries, Associates, Joint Ventures and Partnerships.

The policy applies to the following:

- ✓ All Employees;
- ✓ All Directors of the Company;
- ✓ Employees of other agencies deployed for the Company’s / subsidiary’s / associates / joint venture’s activities, whether working from any of the Company’s /subsidiary’s / joint venture’s offices or any other location.

A person belonging to any of the abovementioned categories may avail of the channel provided by this Policy for raising an issue covered under this Policy.

IV. Definitions

The definitions of some of the key terms used in this Policy are given below.

- **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 erstwhile Section 292A of the Companies Act, 1956 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.
- **"Associate"** means " a company which is an "associate" as defined in Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.
- **"Director"** means a Director on the Board of Directors of the Company.
- **"Employee"** means every employee of the Company (whether working in India or abroad), including employees of its associates / Subsidiaries / Joint Ventures
- **"Investigators"** mean those person(s) authorized, appointed, consulted or approached by the Chairman of the Audit Committee and include the Auditors of the Company and the police.
- **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- **"Subject"** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- **"Whistle Blower"** means a Person making a Protected Disclosure under this Policy.

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and the Rules made thereunder and/or SEBI Act and/or any other SEBI Regulations/Guidelines/Circulars in force and as amended from time to time.

V. Policy

The Whistleblower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

Employees are required to report to the Company in writing, any actual or suspected violation of any law that applies to the Company and any actual or suspected violation of the Company's Code of Ethics and Business Conduct. Reporting is crucial for early detection, proper investigation and remediation and deterrence of violations of Company policies or applicable laws.

The Whistle Blower's role is that of a reporting party with reliable information. He or she is 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 but needs to demonstrate to the Audit Committee that there are sufficient grounds

for concern.

Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Investigators.

Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.

The measures documented in this Policy endeavor to raise awareness of whistle blowing, improve the operation of the whistle blowing process, eliminate the risk of retaliation and detrimental action against Whistle Blowers and to improve the integrity of the organization as a whole through transparent policies and effective procedures.

VI. Procedure

✓ Procedure for reporting a Disclosure:

- a) All Protected Disclosures regarding any unethical or improper practices or alleged wrongful conduct concerning the employees at all levels including Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company
- b) The contact details of the Chairman of the Audit Committee are as under:

Name: Mr. Shyam Sunder Dawra

**Address: 9th floor, HDIL Towers,
Anant Kanekar Marg,
Bandra (East),
Mumbai - 400051**

- c) If a Protected Disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential;
- d) Protected Disclosures should preferably be in writing so as to ensure clear understanding of the issues raised and should either be typed or handwritten in legible handwriting in English or Hindi. Alternatively, the Protected Disclosures can also be reported by e-mail to 'ssdawra@hotmail.com' in a secure e-mail address accessible only by the Chairman of the Audit Committee.

The Disclosure may contain the following details:

- The details of the Subject.
- The details of the alleged improper activity.
- Actual or probable damage/ loss to the Company on account of the reported improper activity of the Subject, if any.
- Other persons who are in knowledge of the reported improper activity or can provide assistance in the preliminary enquiry/ investigation process.
- Whether the same/ similar Disclosure was reported against the same Subject by any other Employee, to the knowledge of the Whistle Blower.

- Whether the Whistle Blower has made similar Disclosures against the same Subject or other persons in the past.
 - Any other relevant information.
- e) The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation;

✓ Procedure for Investigation:

- a) All protected Disclosures reported under this Policy shall be thoroughly and expeditiously investigated by the Chairman of the Audit Committee.
- b) The Chairman of the Audit Committee shall do an initial enquiry of the Disclosure and thereafter based on the merits of the Disclosure, may refer the Disclosure to an Investigator or in alternate dismiss the same. The Chairman of the Audit Committee may appoint a senior officer or a committee of managerial personnel to investigate the matter (hereinafter collectively referred to as "Investigators").
- c) The Chairman of the Audit Committee and/or Investigator shall have access to and have the right to call for information/ document and examination of any employee of the Company as they may deem appropriate, for the purpose of initial enquiry/ investigation.
- d) All Employees shall co-operate with the Chairman of the Audit Committee/ Investigator during initial enquiry/ investigation.
- e) The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the decision may not support the allegation of the Whistle Blower that an improper or unethical act was committed. The decision of Chairman of the Audit Committee shall be free from any prejudice or presumption of guilt.
- f) Subjects will normally be informed of the allegations at the outset of formal investigation and have opportunities for providing their inputs during the investigation;
- g) Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination available under the applicable laws;
- h) Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings;
- i) Subjects have a responsibility not to interfere with the investigation;
- j) Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects;
- k) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation;

- l) Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company;
- m) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

VII. Decision

At the conclusion of the investigation, the investigator(s) shall submit a written report of his/her/their findings to the Chairman of the Audit Committee. The report shall contain:

- The allegation(s);
- An account of all relevant information received and, if the investigator(s) has rejected evidence as being unreliable, the reasons for the opinion being so formed;
- The conclusions reached and the basis for them; and
- Any recommendations arising from the conclusion.

The report shall be accompanied by all documents, statements or other exhibits received by the investigator(s) and accepted as evidence during the course of investigation.

Where the report is to include any adverse comment against any person, that person will be given an opportunity to respond and his /her defense will be fairly included in the report.

The report shall not disclose particulars likely to lead to the identification of the Whistle Blower.

Based on the report submitted by the Investigator or on his own enquiry and investigation, if the Chairman of the Audit Committee so conclude that an improper or unethical act has been committed, Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

VIII. Investigators

At the commencement of the investigation, the Whistle Blower shall be notified by the investigator that he/she/they have been appointed to conduct the investigation.

- a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal & professional standards.

- c) Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee
- The alleged act constitutes an improper or unethical activity or conduct, and
 - The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

IX. Protection

✓ Protection of Whistle Blowers:

- a) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice and guidance about the procedure, etc;
- b) A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management;
- c) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law;
- d) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

✓ Protection of the Subject:

- a) The Company recognizes that employees against whom the disclosures are made must also be supported during the enquiry and investigation of the disclosures. The Company shall take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process.
- b) The Chairman of the Audit Committee shall ensure that the Subject investigated is:
- Informed as to the substance of the allegation(s);
 - Given an opportunity to answer the allegation(s) before a final decision is made; and
 - His or her defense is set out fairly in any report.

- c) The Chairman of the Audit Committee shall formally advise the Subject of the outcome of the investigation.
- d) Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation, and the identity of the Subject shall remain confidential.
- e) The Company shall give its full support to the subject where the allegations contained in the disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the Chairman of the Audit Committee shall consider any request by that person to issue a statement of support setting out that the allegations were wrong or unsubstantiated.

X. Disqualifications

- a) 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.
- b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 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.

XI. Retention of Documents

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

The Compliance Officer shall maintain a register under the directions of the Audit Committee for registration of Whistle Blower's disclosure.

XII. Amendment of the Policy

The Company reserves its right to amend or modify this Policy in whole or in part, at any time in line with the requirements of the Companies Act, 2013 and the Rules made thereunder, SEBI Guidelines/ Listing Agreement or any other rules, regulations etc which may have a bearing on this Policy 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.

XIII. Miscellaneous

✓ **Reporting:**

The Chairman of the Audit Committee shall report to the Board periodically about all Protected Disclosures referred to them together with the results of investigations.

✓ **Confidentiality:**

The Whistle Blower, the Subject, the Chairman of Audit Committee and every person involved in the process shall:

- maintain complete confidentiality/ secrecy of the matter;
- not discuss the matter in any informal/social gatherings/ meetings;
- discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
- not keep the papers unattended anywhere at any time;
- Keep the electronic mails/files under password.

If the concerned person is found not complying with the above, he/ she shall be held liable for such Disciplinary Action as is considered fit.

✓ **Availability on Website:**

The Whistle Blower Policy as adopted by the Board and amended from time to time shall be made available on the website of the Company at www.hdil.in

✓ **Notification:**

All departmental Heads are required to notify and communicate the existence and content of this Policy to the employees of their department. Any new employee shall be informed about the policy by the HR Department.