

WHISTLE BLOWER POLICY - CUM - VIGIL - MECHANISM

COMPETENT AUTOMOBILES CO. LIMITED

PHILOSOPHY

1. Company believes that every employee is a trustee of its stakeholders and must adhere to the Company's Code of Conduct (hereinafter referred to as 'CACL Code') and conduct himself or herself at all times in a professional and ethical manner.

PURPOSE

2. The "Whistleblower Policy" encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the CACL Code, that could adversely impact the Company's operations, business performance and / or reputation. The Company will investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

POLICY

3. It is Company's Policy:
 - To create an environment where every employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the CACL Code and other matters or activity on account of which the interest of the Company;
 - To investigate such reported incidents in a fair manner;
 - To take appropriate disciplinary action against the delinquent employee(s);
 - To ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company.

The practice of this Policy will be overseen by the Audit Committee.

DEFINITIONS

4. The definitions of some of the key terms used in this Policy are given below:-
 - a) "Alleged Wrongful Conduct" shall mean violation of law, infringement of company's ethical policies, mismanagement, misappropriation of monies, corrupt practices, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
 - b) "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company;
 - c) "Company" means Competent Automobiles Co. Ltd.
 - d) "Employee" means all directors, senior management and employees of the Company with permanent, probationary, trainee, retainer, temporary or contractual appointment
 - e) "Investigators" means those persons authorized, appointed consulted or approached by the Managing Director of the Company (MD).
 - f) "Protected Disclosure" (PD) means any written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity on the part of employee of the Company.
 - g) "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.
 - h) "Whistle Blower" means an Employee making a Protected Disclosure under this Policy.

COMPLAINT

5. Whistle Blower making a disclosure under this policy is a complainant. He/she is not an investigator therefore should not act on their own in conducting any investigative activities nor do they have a right to participate in any investigative activities unless formally requested.
6. The whistle blower is generally not expected to substantiate the disclosure but is under obligation to demonstrate *prima facie* issue of the disclosure.
7. Anonymous complaints will not be entertained whatsoever.

PROTECTION

8. 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 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 PD will be given to genuine Whistle Blowers and no unfair treatment will be meted out by virtue of his/her having reported a PD under this policy. The Company will take steps to minimize difficulties, reported by the Whistle Blower for making the PD.

Whistle Blower may report any violation of the above clause to the MD who shall investigate into the same and recommend suitable action.

9. The identity of the Whistle Blower shall be kept confidential to the extent possible and as permitted under law.
10. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

EXCEPTIONS:

- a) Any abuse of this protection by whistle blowers may result in disciplinary action.
- b) The whistle blower shall not make false or bogus allegations knowing it to be false or bogus, frivolous, malicious complaints or with a *mala fide* intention. PD of such category if subsequently found to be frivolous, baseless or reported otherwise than in good faith and disciplinary action may be initiated against him/her.
- c) However, this policy does not protect an employee from an adverse action taken independent of his disclosure or unethical and improper practice etc., unrelated to a disclosure made pursuant to this policy.

PROCEDURE

11. All PDs should be addressed to the MD at the following address.
 - i) Managing Director
Competent House, F-14, Connaught Place, New Delhi – 110 001.

The PD covers shall be opened by the addressee only in person. Authorities concerned may evolve appropriate procedure for protection of confidentiality of the disclosure made by complainants over facsimile or e-mail.

12. PDs should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in legible handwriting which shall bear the identity of the Whistle Blower. The PD shall be made in English or Hindi or in the regional language of the place of employment of the whistle blower. The complainant shall give his/her name and address and other contact details on a separate sheet attached to the complaint, so that the identity of the complaint is separable. The text of the PD should be carefully drafted so as not to give any details or clue as to the identity of the complainant. However, the details of the PD made should be specific and verifiable. It should be sent in a closed and secured envelope super scribed as "Protected Disclosure under the Whistle Blower Policy". If the envelope is not super scribed and closed as mentioned above it will not be possible for the authority to protect the complainant.
13. The PD should be forwarded under a covering letter. The MD shall detach the covering letter bearing the identity of the whistle blower and forward only the PD to the Investigators for investigation within 30 days from the date of its receipt.
14. The authority receiving the complaint will not issue any acknowledgment of the complaint and the complainants are advised neither to write the name/address of the complainant on the envelope (though sent through courier/post) in the interest of the complainant. The authority will not normally enter into any further correspondence in order to protect the interests of the complainant unless it is really required.

15. The Authority on receipt of the protected disclosure shall make a detailed written record of the PD and also may ascertain confidentially from the complainant whether he was the person who made the PD or not before referring the matter for the investigation. The record will include:

- i) Facts of the matter;
- ii) Whether the same PD was raised previously by anyone, and if so, the outcome thereof;
- iii) Whether the same PD was raised previously on the same subject;
- iv) The financial/other loss which has been incurred/would have been incurred by the Company.
- v) Findings and action taken thereof

INVESTIGATION

- 16. All PDs reported under this policy will be recorded and thoroughly investigated. The MD may investigate and may at his discretion consider involving any Investigators including Legal Department of the Company for the purpose of the investigation.
- 17. The decision to conduct an investigation taken by the MD is by itself not an accusation and is to be treated as a neutral fact finding process.
- 18. The identity of Whistle Blower(s) will be kept confidential to the extent possible, given the legitimate needs of law and the investigation.
- 19. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 20. Subject(s) shall have a duty to co-operate with the MD or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 21. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witness shall not be influenced, coached, threatened or intimidated by the Subject(s).
- 22. Unless there are compelling reasons not to do 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.
- 23. Subject(s) have a right to be informed of the outcome of the investigation. If allegations are not substantiated, 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. However, interest of the Company will prevail over the other.
- 24. The investigation shall be completed normally within 90 (ninety days) of the receipt of the PD and is extendable by such period as the MD may deem fit and as applicable.

INVESTIGATORS

- 25. Investigators are required to conduct a process towards fact finding and analysis. Investigators must ensure impartiality, thoroughness and ethical behaviour. Investigators shall derive their authority and access rights from the MD when acting within the course and scope of their investigation. During the investigation process if new facts come to the notice of investigating authority which are likely to amount to unethical behaviour, investigator may report it to the authority concerned for necessary action.
- 26. 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 impartiality, objectivity, thoroughness, ethical behaviour.

DECISION

27. If it is proved that a violation has occurred, the Company will take appropriate action which may include disciplinary proceedings against the violator, including termination of employment.

REPORTING

28. The MD shall submit a report about all PD cases annually to the Audit Committee of the Company.

COMMUNICATION OF THE POLICY

29. For effective implementation of the Policy it will be displayed on the notice boards of the Company.

RETENTION OF RECORDS/DOCUMENTS

30. All PDs documented along with the results of investigations relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

AMENDMENTS TO THE POLICY

31. The Company reserves its right to amend or modify this policy in whole or in part; at any time without assigning any reasons and will be binding on the employees.

Reporting Mechanism

- a. Employees are encouraged to bring to the attention of the Company incidents pertaining, inter alia, to:
- o Illegal or unethical conduct including that which adversely affects investors, shareholders, customers, suppliers, other employees, or the business performance or image or reputation of the Company;
 - o Violation of any law or regulation including actual or suspected fraud;
 - o Conflict of interest with the Company;
 - o Leaking of confidential or proprietary information of the Company;
 - o Any other violation of the CACL Code.
- b. A Whistleblower complaint may be made by any employee (hereinafter referred to as the 'complainant'). Such complaint should be sent to his or her immediate reporting authority, with copies to the relevant Head of Corporate Department. Anonymous complaint will not be entertained. If the complainant has reasons to believe that the concerned immediate reporting authority or his / her superior is involved in the suspected violation, the complaint may be addressed directly to the CEO

Complaint by or against senior management (as defined in the CACL Code) should be made to the Chairman of the Audit Committee with a copy to the Company Chairman.

- c. Complaint shall be made in writing and must include as much information about the suspected violation as the complainant can provide. It should describe:
- o the nature, period of commission and details of the alleged violation;
 - o the identities of the persons suspected to have committed the alleged violation; and
 - o a description of the documents that would prove or relate to the suspected violation.
- d. Employees are encouraged to report such incidents as early as possible, in any case within 30 days of the suspected violation / breach noticed by him / her, so that timely action can be taken.

Investigation

- Upon receipt of a complaint (other than by or against senior management), the Head of Corporate Human Resources, who should keep the Line Director informed, will make an assessment thereof and on being satisfied as to the seriousness and credibility of the complaint, direct the complaint for investigation, in consultation with the General Counsel, to the Internal Audit Department of the Company.
- All employees have a duty to cooperate in an investigation.

- All information disclosed during the course of an investigation, including the identity of the complainant, will be kept confidential, except as necessary or appropriate to disclose for the purposes of the investigation or where required to be statutorily disclosed.
- The report of the investigation shall be submitted by the Internal Audit Department to the Corporate Management Committee alongwith reasoning and supporting material. Depending on the materiality, the investigation findings will be reported to the Audit Committee.
- Complaint by or against senior management will be investigated as directed by the Audit Committee.
- If the Corporate Management Committee / the Audit Committee determines that a violation has occurred, the Company will take appropriate action which may include disciplinary proceedings against the violator, including termination of employment.

No Retaliation

- This Policy is intended to encourage and enable employees to raise bonafide concerns. No employee who reports a violation shall suffer any harassment, retaliation or adverse employment condition as a consequence of such reporting.
- Any employee who retaliates against a person reporting a violation will be subject to disciplinary proceedings, which may extend to termination of employment.

Complaint to be made in good faith

- A complainant must act in good faith and have reasonable grounds for forming a belief that his or her complaint constitutes a violation as described under Clause 4(a).
- This Policy must not be used as a tool for victimisation, making false allegation or acting malafide.
- Any person who is found to be making baseless, reckless, malicious or deliberately false allegation, shall be subject to disciplinary proceedings, which may extend to termination of employment