

HIL Limited

Whistle Blower Policy

1. INTRODUCTION

Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement mandates the Company to constitute a vigil mechanism called the 'Whistle Blower Policy' for directors and employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Our Company has adopted this Whistle Blower Policy in line with the objective of strengthening the governance mechanism and to report to the management instances of unethical behaviour, actual or suspected misconduct or fraud.

2. DEFINITIONS

"Act" means the Companies Act, 2013

"Audit Committee" means Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

"Company" means HIL Limited its subsidiaries, joint-ventures and associate companies, if any.

"Designated Officer" means Company Secretary of the Company.

"Employee" means every employee of the Company (whether working in India or abroad), in the employment of the Company.

"Policy" means the Whistle Blower Policy.

"Protected Disclosure/ Disclosure(s)" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

"Rules" means the Companies (Meeting of Board and its Powers) Rules, 2014.

"Whistle Blower" means a Stake holder or individual employees and their representative bodies or Director of the Company who makes a Protected Disclosure under this Policy.

“Whistle Blower Committee” means committee constituted by the Company consisting of at least three members viz: Managing Director, Chief Financial Officer and HR-Head.

3. 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 and other stakeholders who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of Audit Committee for the purpose in exceptional cases involving the Designated Officer or members of the Whistle Blower Committee.

This Policy does not absolve the Directors, Employees and stakeholders from their duty of confidentiality in the course of their work nor does it permit them to raise malicious or unfounded allegations arising out of a personal situation

4. ELIGIBILITY

All employees and directors of the Company and other stakeholders including vendors, suppliers of raw materials, services etc are eligible to make Protected Disclosures under this Policy.

This Policy is adopted by Board of Directors through Circulation on 08th December, 2016

5. SCOPE

The Whistle Blower's role is to report or raise any concern which he/ she believes is an internal malpractice or wrongdoing (including contravention of laws or fraud) which could affect the business or reputation of the Company. Any allegation which falls within the scope of the concerns identified below will be seriously considered and investigated.

These concerns would include but are not restricted to:-

- Fraud;
- Financial malpractice;
- Failure to comply with applicable legal requirements or Company policy;
- Improper conduct or unethical behaviour, including breach of the Company's code of conduct, business integrity or ethics;
- Attempts to conceal any material facts or misrepresentation;
- Negligence causing substantial and specific danger to public health, safety or environment;
- Any unlawful act whether criminal/civil;
- Colluding with third parties/associates to exploit or cause harm to the company; and
- Breach of terms and conditions of employment and rules thereof;
- Manipulation of company data/ records;
- Unauthorised use, access or disclosure of confidential/proprietary information;
- Abuse of authority;
- Misappropriation or authorised use of Company Funds/assets.

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

6. PROCEDURE

Reporting a concern:

- (a) Subject to paragraph (l) and (m) below, all Protected Disclosures should be addressed to the Designated Officer or the Chairman of the Audit Committee in exceptional cases involving the Designated Officer or members of the Whistle Blower Committee.

The Contact details of the Designated Officer are:

Name: Company Secretary
E-mail ID: cs@hil.in
Mailing Address: HIL Limited, L7, SLN Terminus, Near Botanical Gardens, Gachibowli, Hyderabad - 500032

The contact details of the Chairman of the Audit Committee are as under:

E-mail ID: whistleblower@hil.in
Mailing Address: HIL Limited, L7, SLN Terminus, Near Botanical Gardens, Gachibowli, Hyderabad - 500032

- (b) Protected Disclosures should be reported either through email or through letter in writing to Designated Officer and only through letter in writing to Chairman of Audit Committee, as the case may be. It should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower, so as to ensure a clear understanding of the issues raised.
- (c) The Whistle Blower should endeavour to make the Protected Disclosure, as soon as possible, after the Whistle Blower becomes aware of the conduct that is imputed as the wrongful conduct.
- (d) The Protected Disclosure should be submitted under a covering letter signed by the Whistle Blower in a closed and secured envelope and should be super scribed as "***Protected Disclosure under the Whistle Blower Policy/ Vigil Mechanism***" or sent through email with the subject "***Protected Disclosure under the Whistle Blower Policy/ Vigil Mechanism***". If the Protected Disclosure is not super scribed and closed as mentioned above, the Protected Disclosure will be dealt with as if it is a normal disclosure
- (e) If a Protected Disclosure is received by any executive of the Company other than Designated Officer or Chairman of the Audit Committee, the same should be forwarded to the Designated Officer or Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- (f) The covering letter should disclose the name and address of the Whistle Blower.
- (g) In order to protect the identity of the Whistle Blower, the Designated Officer and the Whistle Blower Committee will not issue any acknowledgement to the Whistle Blower and Whistle Blowers are advised not to write their name/ address on the envelope nor enter into any further correspondence with the Designated Officer or the Whistle Blower Committee.
- (h) Anonymous disclosures may also be entertained in the manner set out in Paragraph 10 below.
- (i) The Protected Disclosure shall contain factual details and should not be speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

- (j) After receipt of the Protected Disclosures the Designated Officer shall forward the Disclosure(s) received to the Whistle Blower Committee. At least two members shall form the quorum of the Whistle Blower Committee.
- (k) On receipt of a Protected Disclosure, the Whistle Blower Committee or the Chairman of the Audit Committee, as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- (l) All Protected Disclosures should be addressed to the Designated Officer, or to the Chairman of the Audit Committee in exceptional cases involving the Designated Officer or members of the Whistle Blower Committee. In the event the Designated Officer or the Whistle Blower Committee is of the opinion that the Protected Disclosure is of an exceptional nature, the Designated Officer or the Whistle Blower Committee may forward the Protected Disclosure to the Chairman of the Audit Committee for further action.
- (m) In case the Protected Disclosure is against the member(s) of the Whistle Blower Committee, the Designated Officer or employees and officers of the Company who occupy designations that are superior/ senior to that of the Designated Officer/ members of the Whistle Blower Committee, the Protected Disclosures can be made directly to the Chairman of Audit Committee.

7. INVESTIGATION

- (a) All Protected Disclosures under this Policy will be recorded and thoroughly investigated. The Whistle Blower Committee will be responsible for the investigation of Protected Disclosures made to them and the Chairman of the Audit Committee shall be responsible for the investigation of the Protected Disclosures made to him/ her.
- (b) The Whistle Blower Committee/ Chairman of the Audit Committee will carry out an investigation either himself/herself or by involving any other Officer of the Company/ committee constituted for the same/ an outside agency.
- (c) Investigations will be launched after a preliminary review, which establishes that the alleged act constitutes an improper or unethical activity or conduct. Delinquents will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

- (d) The identity of the delinquent and the Whistle Blowers shall be kept confidential by the persons involved in the investigation, to the extent possible, subject to applicable laws
- (e) The Chairman of the Audit Committee or the Whistle Blower Committee, as the case may be, may call for further information or particulars from the Whistle Blower, the delinquent or any other person if it deems appropriate
- (f) Based on the investigation conducted, a report on the Protected Disclosure, which establishes the culpability or lack thereof of the delinquent shall be prepared by the person conducting the investigation, and the Whistle Blower Committee or the Chairman of the Audit Committee, as the case may be. The investigation shall be completed and the report shall be prepared within 60 days of the receipt of the Protected Disclosure. The Audit Committee may at its discretion extend this time period.
- (g) The Chairperson of the Audit Committee or the Whistle Blower Committee shall make a written record of the Protected Disclosure. The record shall include facts of the matter, comparative with previous complaints and outcomes, recommended disciplinary action etc
- (h) Unless there are compelling reasons not to do so, delinquents will be given the opportunity to respond to material findings contained in an investigation report. The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process
- (i) Any member of the Audit Committee or the Whistle Blower Committee or other officer having any conflict of interest in relation to a Protected Disclosure shall disclose his/her concern /interest forthwith and shall not deal with the Protected Disclosure.
- (j) The delinquent and other employees and stakeholders shall co-operate with the investigation.
- (k) The delinquent shall not interfere with the investigation. Further, no evidence shall be withheld, destroyed or tampered and no witnesses shall be influenced, tutored, threatened or intimidated by the delinquent or any other person, prior to or during or after the investigation.

8. DECISION AND REPORTING

- (a) Any disciplinary or corrective action initiated against the delinquent 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.
- (b) A quarterly report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee and the Board

9. HARASSMENT OR VICTIMISATION

- (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. Protection will 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 any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/ functions including making further disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Disclosure.
- (b) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- (c) The Whistle Blower, investigating agencies, the Chairman of the Audit Committee and the Whistle Blower Committee and the Designated Officer and everyone involved in the process shall:
 - (i) maintain complete confidentiality/ secrecy of the matter;
 - (ii) not discuss the matter in any informal/social gatherings/ meetings;
 - (iii) discuss only to the extent or with the persons required for the purpose of completing the process and investigation;
 - (iv) not keep the papers relating to Protected Disclosure or the investigation unattended anywhere at any time;
 - (v) keep the electronic mails/files under password;
 - (vi) if anyone is found not complying with the above, he/ she shall be held liable for disciplinary action;
- (d) If a Whistle Blower faces any retaliatory action or threat as a result of making a Protected Disclosure he may immediately write to the Chairman of the Audit Committee who will recommend appropriate steps to protect the Whistle Blower from such retaliatory action and ensure implementation of such steps for the protection of the Whistle Blower.

10. ANONYMOUS ALLEGATIONS

This Policy encourages individuals to put their name to allegations. However, individuals may raise concerns anonymously. Concerns expressed anonymously may be evaluated by the Whistle Blower Committee or the Audit Committee for investigation at its discretion. In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

11. UNTRUE ALLEGATIONS

- (a) In making a Disclosure the individual should exercise due care to ensure the accuracy of the information. If an individual makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that individual. If however, an individual makes malicious or vexatious allegations, and particularly if he or she persists with making them despite the outcome of the investigation, the Audit Committee may recommend action against the individual.
- (b) Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be *mala fide*, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

12. DUTIES OF WHISTLE BLOWERS

The duties of the Whistle Blowers shall include the following:

- (a) Promptly reporting any improper practice in time. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- (b) Although they are not required to provide proof, the Whistle Blowers must have sufficient cause for concern and submit evidence, to which they may have access, when called for.
- (c) Avoid anonymity when raising a concern.
- (d) Follow the procedures prescribed in this Policy for making a Disclosure.
- (e) Co-operate with investigating authorities, maintaining full confidentiality

13. COMMUNICATION

Directors, Employees and stakeholders shall be informed of this Policy by publication on the notice board and the website of the Company. It is the responsibility of all Directors, Employees and stakeholders to keep themselves informed and updated on this Policy at all times.

14. RETENTION OF RECORDS

All Disclosures in writing as well as all documents related to any investigation and the results of the investigation relating thereto shall be retained for a period of 7 years.

15. INFORMATION DISSEMINATION

The details of establishment of such mechanism shall be disclosed by the Company on its website and in the Board's report.

16. REVIEW OF THE POLICY

The Board shall review the Policy from time to time based on the changing needs and make suitable modifications as may be necessary. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Date : 19th August, 2015
Place : Hyderabad

Prashant Vishnu Varkar
Managing Director