

HINDUSTAN URVARAK & RASAYAN LIMITED

WHISTLE BLOWER POLICY

1. PREFACE:

The Company believes in conducting its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. As such the Company endeavours to work against corruption in all its forms including demand and acceptance of illegal gratification and abuse of official position with a view to obtain pecuniary advantage for self or any other person.

Any actual or potential violation of the Company's rules, regulations and policy governing the conduct of business is a matter of serious concern for the Company. The Company is therefore committed to developing a culture where it is safe for employees to raise concerns about instances if any, where such rules, regulations and policy are not being followed or any fraud has been committed or business has been conducted in an unethical manner. Section 177(9) of the Companies Act, 2013, every listed company or such class or classes of companies, as may be prescribed shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. As per Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 under Companies Act, 2013, the company which has borrowed money from banks and public financial institutions in excess of 50 crore rupees need to have a vigil mechanism. The vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The objective of the Whistle Blower Policy is to build and strengthen a culture of transparency and trust in the Company and to provide employees with a framework / procedure for responsible and secure reporting of improper activities (whistle blowing) within the company and to protect employees wishing to raise a concern about improper activity/serious irregularities within the Company. The policy does not absolve employees from their duty of confidentiality in the course of their work. It is also not a route for taking up personal grievances.

2. DEFINITIONS

2.1 "Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, policies, misappropriation of money, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

2.2 "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Company" means the Hindustan Urvarak and Rasayan Limited and all its offices.

2.5“Employee” means all the present employees and whole time Directors of the Company.

2.6“Protected Disclosure” means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title

2.7“SCOPE” with respect to the Company it should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

2.8“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.

2.9“Compliance officer” means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

2.10“Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

2.11“Competent Authority” means Managing Director of the Company and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time.

2.12 “Motivated Complaint” means a complaint shall be deemed to be motivated if it is found to be deliberately false or motivated by revenge/enmity/mischief or extraneous considerations.

2.13 “Disciplinary Authority” means the Disciplinary Authority as defined in the CDA Rules

3. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

4. GUIDING PRINCIPLES:

1. Protected disclosures are acted upon in a time bound manner.
2. Complete confidentiality of the Whistle Blower is maintained.
3. The Whistle Blower and / or the person(s) processing the Protected Disclosures are not subjected to victimization.
4. Evidence of the Protected Disclosure is not concealed and appropriate action including disciplinary action is taken in case of attempts to conceal or destroy evidence.
5. Subject of the Protected Disclosure i.e. person against or in relation to whom a protected disclosure has been made, is provided an opportunity of being heard.

5. WHISTLE BLOWER – ROLE & DISQUALIFICATIONS:

(A) ROLE

1. The Whistle Blower's role is that of a reporting party with reliable information.
2. The Whistle Blower is not required or expected to conduct any investigations on his own.
3. The Whistle Blower does not have any right to participate in investigations.
4. Protected Disclosure will be appropriately dealt with by the Competent Authority.
5. The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons on his written request.

(B) DISQUALIFICATION

1. Genuine Whistle Blowers will be accorded protection from any kind of unfair treatment / victimization. However, any abuse of this protection will warrant disciplinary action against him.
2. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be motivated or malafide or malicious or frivolous, baseless or reported otherwise than in good faith, will be liable for disciplinary action as per the applicable Service Rules.
3. Whistle Blowers, who make three Protected Disclosures, which have been subsequently found to be malafide, frivolous, baseless, malicious or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosure under this policy.

6. PROCESS OF RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.

All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi.

The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Compliance officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Compliance officer. The Compliance officer shall assure that in case any further clarification is required he will get in touch with the complainant.

Anonymous / Pseudonymous disclosure shall not be entertained by the Compliance officer.

The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Compliance officer / Chairman of the Audit Committee/ MD/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

All Protected Disclosures should be addressed to the Compliance officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Compliance officer is as under: -

Company Secretary

Hindustan Urvarak & Rasayan Limited

Core-4,9th Floor, Scope Minar,

Laxmi Nagar District Centre,

Delhi-110092

Protected Disclosure against the Compliance officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman/ CFO of the Company should be addressed to the Chairman of the Audit Committee.

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

Chairman Audit Committee of HURL

Hindustan Urvarak & Rasayan Limited

Core-4, 9th Floor, Scope Minar,

Laxmi Nagar District Centre,

Delhi-110092

7. INVESTIGATIONS AND ROLE OF INVESTIGATORS:

On receipt of Protected Disclosure, the Competent Authority shall detach the covering letter and verify / confirm the authenticity of the Whistle Blower. On receipt of confirmation, the protected disclosure shall be forwarded to the investigators for investigating.

(A) INVESTIGATION

1. Investigations will be launched only after a preliminary review by the Competent Authority which establishes that
 - I. The alleged act constitutes an improper or unethical activity or conduct, and
 - II. The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information but it is felt that the concerned matter deserves investigation.
2. If the Competent Authority determines that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.

3. If the Competent Authority is prima facie satisfied that the Protected Disclosure warrants investigation of the alleged improper activity, Competent Authority will direct appropriate investigating machinery of the Company to investigate the matter.
4. The decision to conduct an investigation taken by the Competent Authority is by itself not to be construed as an accusation and is to be treated as a neutral fact-finding process.
5. 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.
6. Subjects will normally be informed of the allegations at the outset of the formal investigation and will be given opportunities for providing their inputs during the investigation.
7. Subjects shall have a duty to co-operate with the Competent Authority or any of the Investigators during investigation to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.
8. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
9. 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.
10. Subjects have a right to be informed of the outcome of the investigation.
11. The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.

B) ROLE OF INVESTIGATORS

1. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority from Audit Committee / Competent Authority when acting within the course and scope of their investigation.
2. All Investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of professional standards.

8. PROTECTION:

1. The identity of the Whistle Blower shall be kept confidential.
2. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.

3. Complete 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 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.
4. If the Whistle Blower is required to give evidence in criminal or 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.
5. A Whistle Blower may report any violation of the above clause to the Competent Authority who shall investigate into the same and take corrective action as may be required.
6. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
7. Whistle Blower shall have direct access to the Chairman, Audit Committee against victimisation.

9. ACTION

1. If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which warrants disciplinary action against the subject employee(s), the Competent Authority shall report the matter to the concerned Disciplinary Authority for appropriate disciplinary action.
2. The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure or to prevent the re-occurrence of such improper activity.
3. If the Competent Authority is of opinion that the investigation discloses that no further action on the protected disclosure is warranted, he shall so record in writing. Recording should be incorporated in the Report to be submitted to Audit Committee as mentioned in sub-para 1 of para 10 (Reporting & Review).
4. If the Competent Authority is satisfied that the protected disclosure is false, motivated or vexatious, the Competent Authority may report the matter to the concerned Disciplinary Authority for appropriate disciplinary action against the whistle blower with a copy to Chairman, Audit Committee for information.

10. REPORTING AND REVIEW

1. The Competent Authority shall submit a report of the protected disclosures, received and of the investigation conducted, and of the action taken report shall be submitted to the Audit Committee of the Company annually.

2. The Audit Committee shall have power to review any action or decision taken by the Competent Authority.

11. RETENTION OF DOCUMENT

All Protected Disclosures in writing or documented along with the results of Investigation relating thereto shall be retained by the company for a period of five years.

12. AMENDMENT/MODIFICATION

The Board of Directors reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. All such amendments or modifications will be notified.

13. NOTIFICATION

The compliance officer shall be responsible for intimating to all Directors and to departmental heads of any changes in policy.

This policy as amended from time to time shall be disclosed by the Company in its Board Report.