

## **WHISTLE BLOWER POLICY**

### **1. Preface**

- a. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has adopted the Code of Conduct ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report the Code violations.
  
- b. The section 177 of the Companies Act, 2013 and related rules made there under provides for establishment of a vigil mechanism for its directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy. Further, the Listing Agreement entered into by and between the Company and the Stock Exchange, among other things, also requires companies to establish a mechanism viz. "Whistle Blower Policy" for Directors and Employees to report the instances of unethical behavior, actual or suspected, fraud or any violation and seek redressal.
  
- c. Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for Directors and employees of the Company to approach the Chairman of the Audit Committee of the Company or the Investigator(s) appointed by the Chairman of the Audit Committee of the Company.

## 2. Definitions

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

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 117 of the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges. ·
- b. "Director" means a person appointed as such as a director on the Board of the Company pursuant to the provisions of the Companies Act, 2013 (as amended) and includes executive Director.
- c. "Employee" means every employee of the Company (whether working in India or abroad), excluding the Directors of the Company.
- d. "Code" means the RIK.AL Code of Conduct for Board of Directors, Senior Management and Employees of the Company.
- e. "Investigators" mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of the Company and the Regulatory Authorities.
- f. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- g. "Alleged Person" 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.

## 3. Scope

- a. The Whistle Blower's role is that of a reporting party with reliable information. They are 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.

- b. 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.
- c. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee or the Investigators, as the case may be.

#### 4. Eligibility

All Directors, Senior Management and Employees of the Company are eligible to make Reported Disclosures under the Policy. The Reported Disclosures may be in relation to matters concerning the Company.

The Policy covers malpractices and events which have taken place/suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports

6. Any unlawful act whether Criminal/ Civil
7. Pilferation of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of Company Policy or failure to implement or comply with any approved Company Policy

Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

## **5. Guiding principles**

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

1. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
2. Treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimization
3. Ensure complete confidentiality
4. Not attempt to conceal evidence of the Protected Disclosure
5. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
6. Provide an opportunity of being heard to the persons involved especially to the Alleged Person.

## **6. Anonymous Allegation**

Whistleblowers may ideally disclose their identity which enables follow-up questions and aids in investigation process which may not be possible in absence of identity. In order to encourage employees or to make disclosures, they can also keep their identity anonymous. These can be done through Feedback link in Hikal Compass. All disclosures shall be presented to the Ethics Committee comprising of Managing Director, Senior President and HR Head. The Ethics Committee will decide on the veracity of the disclosure made and suggest for any further investigation by the Audit Committee Chairman. Hence, disclosures made through both revelation of identity and anonymous disclosures shall be investigated as per the guideline.

## **7. 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, frivolous or bogus allegations made by a Whistle Blower knowing it to be false, frivolous 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, malicious, frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

## **8. Procedure**

- a. All Reported Disclosures shall be sent at the Registered office of the Company in a sealed envelope addressed to the HR Department of the Company or to the Chairman of the Audit Committee of the Company for investigation.

- b. 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.

- c. Protected Disclosures should preferably be reported in writing 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 or in the regional language of the place of employment of the Whistle Blower.
- d. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- e. Protected Disclosures should be factual and not 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.
- f. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure. No need to mark a copy of the communication to anyone in the Company.

## **9. Investigation**

- a. All Protected Disclosures reported will be thoroughly investigated by the Investigators as appointed by the Chairman of the Audit Committee of the Company who will review the finding on the basis of merit.
- b. 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 investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- c. The identity of a Alleged Person and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- d. Alleged Persons will normally be informed of the allegations at the

outset of a formal investigation and have opportunities  
for providing their inputs during the  
investigation.

- e. Alleged Persons 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. Alleged Persons shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the Alleged Person are not sustainable, then the Company may see reason to reimburse such costs.

- f. Alleged Persons 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 Alleged Persons.
- g. Unless there are compelling reasons not to do so, Alleged Persons will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Alleged Person shall be considered as maintainable unless there is good evidence in support of the allegation.
- h. Alleged Persons have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Alleged Person should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Alleged Person and the Company.
- 1. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

## **10. Protection**

- 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 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.

## **11. Investigators**

- 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 and professional standards.
- c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee, which establishes that:

1. the alleged act constitutes an improper or unethical activity or conduct, and
11. 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.

## **12. Decision**

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the 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 Alleged Person 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.

## **13. Reporting**

The Investigator shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

## **14. 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 five years.

### **15. Communication of Policy**

The policy shall be communicated by the Human Resource Department to all the Employees of the Company through circulars etc. Further, the details of establishment of such vigil mechanism through this policy shall be disclosed by the Company on its website, if any.

### **16. Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.