

**HEMADRI CEMENTS LIMITED**

**WHISTLE BLOWER POLICY**

**POLICY**

## **WHISTLE BLOWER POLICY**

*[Under Chapter II(4)(2)(d)(iv) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

### **1. Objective**

The objective of this Policy is to provide Directors and Employees (hereinafter collectively referred to as "stakeholder") an opportunity to raise concerns, in line with the commitment of Hemadri Cements Limited ("the Company") to the Compliance with Regulatory requirement of the Companies Act, 2013 and Corporate Governance Norms of the Securities and Exchange Board of India.

The Company requires directors to observe high standard of business and personal ethics in conduct of their duties and responsibilities. Similarly, employees, as representatives of the company, must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

This Whistle Blower Policy has been adopted by the Audit Committee of the Company to govern the receipt, retention, and treatment of Complaints and to protect the confidentiality and anonymity of the stakeholders.

This policy governs reporting and investigation of allegations of suspected improper activities. Stakeholders are encouraged to use guidance provided by this policy for reporting all allegations of suspected improper activities. In all instances, the Company retains the prerogative to determine when circumstances warrant an investigation and, in conformity with this policy and applicable laws and regulations, the appropriate investigative process to be employed.

The policy sets out ways through which the stakeholders can raise concerns that relate to actual or suspected violations of the Code of Conduct, Accounting, Internal Accounting Controls, Auditing Matters and applicable laws including statutory / regulatory rules and regulations which includes but not limited to Companies Act, Securities and Exchange Board of India Act and Foreign Exchange Management Act.

## **2. Definitions**

**Whistleblower:** A stakeholder making a disclosure of any unethical activity that they have observed.

**Employee:** An Individual who is in full-time or part-time employment with the Company or its Subsidiaries, including those serving as consultants and contract/ third party employees.

**Audit Committee:** The Committee constituted under Section 177 of the Companies Act, 2013.

**Corporate Ombudsman:** An Individual appointed by the Audit Committee to monitor and report to it the complaints/ reports submitted under this policy.

## **3. What can be complained / reported?**

Stakeholders have the opportunity to submit / report Complaints pertaining to the following areas such as:

a. fraud (an act of wilful misrepresentation which would affect the interests of the company) against investors, securities fraud, mail or wire fraud, bank fraud, or fraudulent statements to the Registrar of Companies ("ROC"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India (the "SEBI"), the relevant stock exchanges, any other relevant authority or members of the investing public.

b. any violations to the Company's Code of Conduct

c. any other event which would affect the interests of the business

## **4. Reporting/ Complaint Mechanism**

Reports/ Complaints of actual or suspected activities specified in Clause 3) shall be made in writing so as to assure a clear understanding of the issues. Such reports should be factual rather than speculative and must contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures. Reports/ Complaints can be made through any one of the following mode:

a. **Written Complaint:** A written complaint can be sent to the Registered Office of the Company mentioning on the Envelope "Whistle Blower or Vigil Mechanism (Whistle Blower Drop Box)

b. **Email:** An email complaint can be send to the mail ID CS@hemadricements.com. The complainant may use a non-identifiable email address, like Hotmail or Yahoo to leave a message

## **5. Mechanism to review the Complaints**

i. All the stakeholders' complaints /reports shall be reviewed by the Corporate Ombudsman appointed by the Audit Committee, except in case of a complaint/ report directly submitted with the Chairman of the Audit Committee. In case of a complaint/concern against Corporate Ombudsman, the same shall also be addressed to the Chairman of the Audit Committee.

ii. The name and designation of the Corporate Ombudsman shall be "Company Secretary" of the Company unless or otherwise modified by the Audit Committee.

iii. The Corporate Ombudsman shall have the sole access to the Whistleblower drop box and the maid ID cs@hemadricements.com

iv. The Corporate Ombudsman shall acknowledge the receipt of complaint/ report within seven business day of receipt of the complaint/ report (if not reported anonymously)

v. The Corporate Ombudsman shall determine whether the complaint/ report actually pertains to a reportable complaint as in Clause 3.

vi. If the Corporate Ombudsman decides that the complaint/ report is not a reportable one, wherever possible, he/she shall communicate the rationale for the decision to the complainant within 10 business days of such decision. However, the complainant can escalate the matter to the Chairman of the Audit Committee, if the person still believes there is a reason or if the Corporate Ombudsman fails to respond within the timeline prescribed in Clause V. In such case, if the Chairman of Audit Committee feels appropriate, shall direct the Corporate Ombudsman to take up the investigation of the case and the Audit Committee shall oversee the progress of investigation and corrective actions.

vii. If the Corporate Ombudsman determines that the complaint/ report is a reportable one, he shall investigate the alleged violation (If required, he shall set up an Investigation Committee with due communication and approval of the Chairman of the Audit Committee).

viii. The Investigation Committee shall file a report to the Corporate Ombudsman within 10 business days of reference by Corporate Ombudsman along with the recommendations for corrective action. The Corporate Ombudsman shall decide on the corrective action to be taken in case of all complaint/ report taken up for investigation within 21 business days of determining whether the complaint/ report is reportable as in Clause v.

ix. In case of complaints/ reports directly made to Chairman of Audit Committee, he may set up an Investigating Committee which shall be subject to the same timelines as above and shall report to the Audit Committee.

x. If Audit Committee's intervention is needed in implementing any corrective action, the Corporate Ombudsman shall communicate his findings and recommendations to the Chairman of Audit Committee who shall oversee the implementation of corrective actions and shall place the action taken report before the Audit Committee.

xi. All corrective actions shall be taken by the Corporate Ombudsman and overseen by the Audit Committee as described in 'Remedies & Discipline' section.

## **6. Documentation and Reporting**

i. The Corporate Ombudsman shall submit a report to the Audit Committee, every Quarter, containing the summary of all Complaints received from Whistleblowers, Complaints/ reports that have been taken up for investigation, corrective actions recommended, status of implementation of corrective action and reason for delay, if any.

ii. All documentation pertaining to the complaint including but not restricted to the investigation report, corrective action taken and evidence will be maintained by the Corporate Ombudsman for a period of 8 years.

iii. When possible and when determined appropriate by the Corporate Ombudsman, notice of any corrective action taken will be given to the person who submitted the concern or complaint.

## **7. Remedies & Discipline**

If it is determined that a reportable violation has occurred, the Corporate Ombudsman/ Audit Committee shall recommend to the HR Head the following action to correct it:

i. Any person found guilty of the violation will be subject to disciplinary action up to and including termination of employment.

ii. Appropriate procedures, policies and controls will be established in all departments to ensure early detection of similar violation.

ii. During the investigation period or at any time thereafter, if any employee is found to be (a) retaliating against the complainant, (b) coaching witnesses or (c) tampering with evidence, then it would lead to severe disciplinary action including termination of employment. Such instances may also be reported to Corporate Ombudsman/ Audit Committee by a Whistleblower and the Corporate Ombudsman/ Audit Committee shall give protection to the aggrieved stakeholder in case retaliation is complained.

## **8. Roles and Responsibility**

### **a. Whistleblower**

i. Whistleblowers provide initial information related to a reasonable belief that an unethical activity has occurred. The motivation of a Whistleblower is irrelevant to the consideration of the validity of the allegation.

ii. Whistleblowers shall avoid frivolous complaints/ reports. Repeated frivolous complaints/ reports shall lead to disciplinary action including termination of employment.

iii. Whistleblower (including anonymous Whistleblower) must provide all factual corroborating evidence, as is available/possible, to enable commencement of an investigation. An investigation will not be undertaken without verifiable support. However, Whistleblower shall refrain from obtaining evidence for which they do not have a right of access.

iv. Whistleblowers have a responsibility to be candid with the Corporate Ombudsman/ Audit Committee and Investigation committee. The person should be prepared to be interviewed by the Corporate Ombudsman/ Investigation Committee/ Audit Committee.

v. Whistleblowers shall not act on their own in conducting any investigation.

vi. The Whistleblowers will not be immune to disciplinary action if he is found guilty of or is a party to the allegations.

### **b. Investigation Participant**

i. All employees/ directors who are interviewed, asked to provide information or otherwise participate in an investigation have a duty to fully cooperate with the Corporate Ombudsman/ Investigation Committee.

ii. Participants should refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no case should the participant discuss with anyone not connected to the investigation the subject of the investigation, the nature of evidence requested or provided or testimony given unless agreed to by the investigators.

iii. Requests for confidentiality by participants will be honoured to the extent possible within the legitimate needs of law and the investigation.

iv. Participants are entitled to protection from retaliation for having participated in an investigation.

### **c. Investigation Subject**

i. A subject is a person or a group of persons who is the focus of investigative fact finding either by virtue of an allegation made or evidence gathered during the course of an investigation. The decision to conduct an investigation is not an accusation; it is to be treated as a neutral fact finding process. The outcome of the investigation may or may not support a conclusion that an unethical act was committed and, if so, by whom.

ii. The identity of a subject should be maintained in confidence to the extent possible given the legitimate needs of law and fairness in investigation.

iii. Subjects should normally be informed of the allegations at the outset of a formal investigation and have opportunities for input during the investigation.

iv. Subjects have a responsibility not to interfere with the investigation and to adhere to admonitions from investigators in this regard. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached or intimidated.

v. Unless there are compelling reasons to the contrary, subjects should be given the opportunity to respond to material points of evidence contained in an investigation report.

vi. No allegation of wrongdoing against a subject shall be considered sustained unless at a minimum, a preponderance of the evidence supports the allegation.

vii. Subjects have a right to be informed of the outcome of the investigation.

viii. Any disciplinary or corrective action initiated against the subject as a result of an investigation pursuant to this policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

#### **d. Whistleblower Protection**

The Company will use best efforts to protect whistleblowers against retaliation, as described below.

i. Corporate Ombudsman/ Investigation Committee/ Audit Committee will keep the whistleblower's identity confidential, unless:

a. the person agrees to be identified;

b. identification is necessary to allow the Company or law enforcement officials to investigate or respond effectively to the report;

c. identification is required by law; or

d. the person accused of Compliance violations is entitled to the information as a matter of legal right in disciplinary proceedings.



ii. The Company prohibits retaliation against a whistleblower with the intent or effect of adversely affecting the terms or conditions of employment (including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages). Whistleblowers who believe that they have been retaliated against may file a written complaint with the Corporate Ombudsman or to the Chairman of the Audit Committee.

iii. A proven complaint of retaliation shall result in a proper remedy for the person harmed and disciplinary action including termination of employment against the retaliating person. This protection from retaliation is not intended to prohibit managers or supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid documented performance-related factors. In case such action is necessary against a whistleblower, the person proposing the action shall submit all necessary information and documentation to the Corporate Ombudsman who shall submit the same along with his Quarterly report to Audit Committee.

iv. In the event that a complaint made in good faith is subsequently found to be untrue, no action would be initiated against the Whistleblower. However, Whistleblowers must be cautious before making any baseless allegations.

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