HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED

Whistle Blower Policy
(Clause 49 (F) of the Listing Agreement)

Section 177(9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism:-

i) Every listed company
ii) Every other company which accepts deposits from the public
iii) Every company which has borrowed money from banks and public financial institutions in excess of Rs. Fifty crore.

Clause 49 sub clause (F) of the Listing Agreement requires every listed company to establish a mechanism called "Whistle Blower Policy" for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Policy Objective

The Company, through this policy envisages to encourage the Directors and Employees of the Company to report to the appropriate authorities any unethical behavior, improper, illegal or questionable acts, deeds, actual or suspected frauds or violation of the Company's Code of Conduct for Directors and Senior Management Personnel. The unethical, improper and illegal activities inter-alia include –

1. An act of omission, commission, concealment, misrepresentation which necessarily are in violation of law of the land, rules and regulation of the Company, Memorandum and Articles of Association of the Company and against the accepted principles jeopardizing the interest and growth of the Company.

2. Misuse or diversion of the Company's Funds, property and man power.

3. Intentional financial irregularities, including fraud or suspected frauds

4. Manipulation of Company data/records

5. Gross or willful negligence causing substantial and specific danger to health, safety and environment.

6. Any act, deed or thing which goes against the interest of the Company.

Definitions

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

(a) **"Audit Committee"** means the Audit Committee of Directors constituted by the Board of Directors of the Company.

(b) **"Employee"** means every permanent employee and regular employee of the Company whether working in India or abroad, including the directors in the employment of the Company.

(c) **"Director"** means every directors of the Company.

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

(e) **"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.

(f) **"Vigilance Officer/Vigilance Committee or Committee"** means a person or committee of persons nominated/appointed by the board of directors to receive Protected Disclosure from Whistle Blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blowers the result thereof.

(g) **"Whistle Blower"** means an Employee or Director making a Protected Disclosure under this Policy.

Eligibility

This policy is applicable to Directors and all the regular, permanent employees of the Company.

Procedure

All Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English/Hindi. 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"** or sent through email with the subject **"Protected Disclosure under the Whistle Blower policy".** If the Protected Disclosure is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure. All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance Officer are as under:-

Name and Address
Manoj Baid
8, Commercial Complex, Masjid Moth
Greater Kailash –II
New Delhi – 110 048
Email: manoj.baid@hfcl.com

In order to protect the identity of the Whistle Blower, the Vigilance Officer will not issue any acknowledgement to him and he is not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

On receipt of the Protected Disclosure, the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

The Vigilance Officer shall keep a register for the registration of the Protected Disclosures received from the Whistle Blowers, with each Disclosure serially numbered and the action taken/recorded in each case.

Investigation

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer 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 before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the Subject and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation. The subject shall have a duty to co-operate with the investigator and responsibility not to interfere or obstruct with the investigation process.

The Audit Committee can summon the Whistle Blower to take oral evidence or may ask for further documentary evidence in support of his/her compliant.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

Decision and reporting

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall after going through the report and the evidences and documents submitted by the Whistle Blower shall take appropriate decision on the report and forward the same to the Board of Directors for suitable action. The action taken on the report shall be communicated to the Whistle Blower/ Subject.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

A Whistle Blower who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

While acting on the basis of this policy, the employees shall act with utmost bonafide intention, any reports complaints made by the employees under this policy shall be true and fair supported by strong documentary evidences. The safeguard of the Company's interest shall be the only motive of the employees.

Protection

The Company shall not threaten, discriminate or take retaliatory action against an employee in any manner which adversely effect the employee's employment in the organization.

No adverse action will be taken against an employee who participates or gives information in an investigation or hearing or enquiry initiated by the Vigilance Officer/ Officer/ Vigilance Committee/ Audit Committee.

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimisation of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. This however, does not preclude a superior or management from taking appropriate action against an employee for misconduct, indiscipline, poor job performance or retrenchment as per the policy of the Company.

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

Confidentiality

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

Disqualifications

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.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a malafide intention.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be malafide, frivolous or malicious, shall be liable to be prosecuted.

Access to Chairman of the Audit Committee

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

Communication

Directors and Employees shall be informed of the Policy by publishing the same on the notice board. The Whistle Blower Policy as adopted by the Board shall also be made available at the website of the Company.

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 three years.

Confirmation

The Company shall annually affirm that the management has not denied any employee access to the Audit Committee for reporting under this policy.

The aforesaid affirmation shall also be incorporated in the Board Report on Corporate Governance in the Annual Report.

Amendment

The Board shall review and discuss Whistle Blower Policy from time to time and incorporate necessary amendments thereto.