

WHISTLEBLOWER VIGIL MECHANISM/ WHISTLE BLOWER POLICY

PREFACE

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI LODR Regulations 2015”) provides for all listed companies to formulate a Vigil Mechanism for Directors and Employees to report genuine concerns. The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

OBJECTIVE

This Policy covers malpractices and events which have taken place or are suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by Whistleblowers concerning the employees of the Company.

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. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. Accordingly, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. Vigil mechanism provides a channel to the employees and the directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Code or any policy framed by the Board. This mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the chairperson of the Audit Committee in exceptional cases.

POLICY

The Vigil Mechanism Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company.

The Policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

DEFINITIONS

- **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

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- **“Good Faith”**: An employee shall be deemed to be communicating in "good faith" if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- **“Employee”** means every employee of the Company (whether working in India or abroad) including Whole-time directors of the Company.
- **“Executive Management”** includes the Board of Directors and one level below the Board, including functional heads.
- **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- **“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 under this Policy.
- **“Whistleblower”** is an Employee or a group of Employees who make a Protected Disclosure under this Policy and may also be referred to as a Complainant.
- **“Whistle Officer”** means an officer who is/are nominated/ appointed to conduct detailed investigation of the disclosure received from the whistleblower and recommend disciplinary action. Currently, the Chairperson of the Audit Committee and the Company Secretary (Compliance Officer) are appointed as Whistle Officers. Further, it shall be the function of the Audit Committee to implement and monitor the Whistleblower mechanism.

SCOPE

The Whistleblower’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.

Whistleblowers 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 Whistle Officers.

Protected Disclosure will be appropriately dealt with by the Whistle Officers, as the case may be.

ELIGIBILITY

Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- Employees of the Company
- Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company

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- Customers of the Company
- Any other person having an association with the Company

A person belonging to any of the above-mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

The Policy covers malpractices and/or events related to following issues:

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. Moral Turpitude issues

DISQUALIFICATIONS

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

Disclosures expressed anonymously will ordinarily NOT be investigated. Whistleblowers must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified.

While it will be ensured that genuine Whistleblowers 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 Whistleblower knowing it to be false or bogus or with a *mala fide* intention.

Whistleblowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistleblowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

PROCEDURE

- a. All protected Disclosures should be reported in writing and in duplicate by the Whistleblower as soon as possible after the Whistleblower 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.

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- b. The protected disclosure should be submitted in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Vigil Mechanism/ Whistle Blower Policy**”. Alternatively, the same can also be sent through email with the subject “**Protected disclosure under the Vigil Mechanism/ Whistle Blower Policy**”
- c. All Protected Disclosures concerning financial/accounting matters should be addressed to the Whistle Officers of the Company for investigation.
- d. In respect of all other Protected Disclosures, those concerning the Compliance Officer and the higher level of the Executive Management should be addressed to the Chairperson of the Audit Committee of the Company and those concerning other employees should be addressed to the Compliance Officer of the Company.
- e. The contact details of the Whistle Officers are as under:
For complaints concerning Compliance Officer and the Executive Management Personnel
Mr. Yatish Parekh
Chairperson of the Audit Committee
HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)

Contact Details:
Address: HLE Glascoat Limited, H-106, GIDC Estate, V. U. Nagar – 388121,
Dist. Anand, Gujarat
Contact no.: 9825136992
E-mail id: yatish72@hotmail.com

For complaints concerning other employees
Company Secretary
HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)

Contact Details:
Address: HLE Glascoat Limited, H-106, GIDC Estate, V. U. Nagar – 388121,
Dist. Anand, Gujarat
Contact no.: 02692-236842
E-mail id: share@glascoat.com
- f. If a protected disclosure is received by any executive of the Company other than the designated Whistle Officers, the same should be forwarded to the Company’s Whistle Officers for further appropriate action.
- g. Appropriate care must be taken to keep the identity of the Whistleblower confidential.
- h. 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 Whistleblower.
- i. The Protected Disclosure should be forwarded under a covering letter which shall bear the

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identity of the Whistleblower. The Whistle Officers detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

- j. 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.
- k. For the purpose of providing protection to the Whistleblower, the Whistleblower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

PROTECTION

- a. No unfair treatment will be meted out to a Whistleblower 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 Whistleblowers. Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.
- b. A Whistleblower may report any violation of the above clause to the Whistle Officers, who shall investigate into the same and recommend suitable action to the management.
- c. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law.

The protection is available provided that:

- a. The communication/ disclosure is made in good faith
- b. He/ She reasonably believes that information, and any allegations contained in it, are substantially true; and
- c. He/ She is not acting for personal gain

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and discipline of any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

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INVESTIGATION

- a. On receipt of the protected Disclosure, the Vigilance and Ethics Officer/ Chairman of the Audit Committee, as the case may be, shall make a record of the protected disclosure and also ascertain from the Whistleblower whether he was the person who made the Protected disclosure or not. The record will include:
 - Brief facts;
 - Whether the same protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - Details of actions taken by the Chairman of the Audit Committee for processing the said complaint.
 - Findings of the Audit Committee on the said complaint
 - The recommendations of the Audit Committee/ other action(s) on said complaint.
- b. The Audit Committee, if deems fit, may call for further information or particulars from the Whistleblower.
- c. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Designated Whistle Officers of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- d. The Designated Whistle Officers may at his discretion, consider involving any Investigators for the purpose of investigation.
- e. The decision to conduct an investigation taken by the Designated Whistle Officers 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 Whistleblower that an improper or unethical act was committed.
- f. The identity of a Subject and the Whistleblower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- g. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- h. Subjects shall have a duty to co-operate with the Designated Whistle Officers or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws. .
- i. Subjects have a right to consult with a person or persons of their choice, other than the designated Whistle Officers/ Investigators and/or members of the Audit Committee or the Whistleblower. Subjects 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 subject are not sustainable, then the Company may see reason to reimburse such costs.
- j. 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.

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- k. 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.
- l. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- m. The investigation shall be completed normally within reasonable time period of the receipt of the Protected Disclosure.

DECISION

If an investigation leads the Designated Whistle Officers to conclude that an improper or unethical act has been committed, the Designated Whistle Officers shall recommend to the management of the Company to take such disciplinary or corrective action as the Designated Whistle Officers may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject 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.

ROLE OF THE WHISTLE OFFICERS

- a) Conduct the enquiry in a fair, unbiased manner
- b) Ensure complete fact-finding
- c) Maintain strict confidentiality
- d) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- e) Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- f) Minute Committee deliberations and document the final report

REPORTING

The designated Whistle Officers shall submit a report to 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.

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 eight years.

ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with "Disclosures" are considered confidential information and access will be restricted to the Whistleblower, the Audit Committee and Whistle Officers. "Disclosures" and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

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ACCESS TO CHAIRPERSON OF THE AUDIT COMMITTEE

The Whistleblower 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.

DISCLOSURES

The Whistleblower policy cannot be effective unless it is properly communicated to employees. The details of establishment of Vigil Mechanism vide Whistleblower policy shall be disclosed by the Company on its website and in the Board's report.

AMENDMENT

The Board with concurrence of the Audit Committee reserves its right to amend or modify this Policy in whole or in part, at any time consequent upon any amendment to applicable laws of land.

For & on behalf of the Board of
HLE Glascoat Limited
(Formerly Swiss Glascoat Equipments Limited)

Sd/-
Mr. Himanshu Patel
Chairperson and Managing Director

Date: 12.06.2021