



## WHISTLE BLOWER POLICY

### PREFACE

BDH Industries Limited 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.

BDH is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct or violation of law in force. 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 Whistle Blower Policy for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives (“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. Such a 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 Listing Agreement between listed companies and the Stock Exchanges, *inter alia*, provides for all listed companies to establish a mechanism called ‘Whistle Blower Policy’ for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company’s code of conduct

Accordingly, BDH adopted to establish a Whistle Blower Policy and to formulate a policy for the same.

### OBJECTIVE

This Whistle Blower Policy (the ‘Policy’), consequent to statutory mandate is an extension of the Code of Business Conduct through which the Company seeks to provide a mechanism for the Stakeholders to disclose their concerns and grievances on Unethical Behaviour and Improper/Illegal Practices and Wrongful Conduct taking place in the Company for appropriate action. Through this Policy, the Company provides necessary safeguards to all Whistle Blowers for making Protected Disclosures in Good Faith and any Stakeholder assisting the investigation.

The Company shall propagate the existence and contents of this Policy to all the Stakeholders. The Company shall disclose the details of establishment of such a mechanism on its website and also in the Board’s report.



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## DEFINITIONS

“**Alleged wrongful conduct**” shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.

“**Audit Committee**” means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.

“**Board**” means the Board of Directors of the Company.

“**Code**” means Code of Conduct for Directors and Senior Management Executives adopted by BDH Industries Limited.

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

“**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 “SCOPE OF THE POLICY” 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.

“**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.

“**Vigilance and Ethics 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.

“**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.

## SCOPE

A) 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
6. Criminal offence
7. Pilferation of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of employee Code of Conduct or Rules



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B) The Policy is a channel to reinforce a robust implementation of the Company's Code. Through this Policy, the Company seeks to provide a procedure for all the employees of the Company to disclose any unethical and improper practice taking place in the Company for appropriate action and reporting.

### 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 or bogus allegations made by a Whistle Blower knowing it to be false 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, frivolous or malicious, shall be liable for compensation.

### ELIGIBILITY

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

### INVESTIGATION

- a. All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee shall investigate and shall at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- b. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- c. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- d. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- e. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- f. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, threatened or intimidated by the subject(s).



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g. Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

h. Subject(s) have a right to be informed of the outcome of the investigations. 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.

i. 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.

j. 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**

a. If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as he 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.

b. In case the Subject is the Chairman/CEO of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

c. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

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

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



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## SECRECY / CONFIDENTIALITY

The complainant, Members of Audit Committee, the Subject and everybody involved in the process shall:

- i. Maintain confidentiality of all matters under this Policy
- ii. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- iii. Not keep the papers unattended anywhere at any time
- iv. Keep the electronic mails / files under password.

## CONFIDENTIALITY & 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. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

c. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

d. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.



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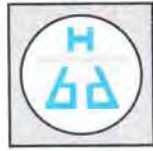


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### **ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

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**

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

### **ADMINISTRATION AND REVIEW OF THE POLICY**

The Board of Directors shall be responsible for the administration, interpretation, application and review of this policy. The Board also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

### **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. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.



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