

Whistle Blower Policy

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Introduction

This Whistle Blower Policy has been formulated to enable all employees to raise concern against any malpractice such as immoral, unethical conduct, fraud, corruption, potential infractions of the Code of Conduct of the Company, breaches of copyright or patent and alike. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company.

Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that Employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith and without negligence. The Whistle Blower shall be anonymous or non-anonymous. An ombudsperson (KCL's Company Secretary) has been appointed to receive the complaints through emails or on paper (in a sealed envelope), who would investigate the complaints and reported to CEO for final decision. In case the complaint is against Company Secretary then the same has to be reported to the CEO directly and in case the complaint is against the CEO then the same should be reported directly to the Chairman of the Audit Committee. This Policy would help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organisation or for those affected by its functions.

Background

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has formulated this Whistle blower Policy that governs the actions of its employees. This Whistle blower Policy aspires to encourage all employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviours or practices) that affect Company's interest /image irrespective of events occurring inside or outside the organisation.

Objective

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, 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 or retaliation. This policy aims to provide an avenue for employees to raise concerns on

any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

Scope

This policy shall be applicable to all Employees of Kirloskar Capital Limited "KCL".

Definitions

"Employee": "Employee" means any person on the rolls including those on deputation, contract, temporary, probationer, apprentice, trainee, part time employees / workers, full time consultants, holding permanent, honorary, ad hoc, voluntary or short term positions. For the limited purpose of this policy term "Employee" includes vendor (Provides Goods /Service to KCL) of KCL.

"Whistle blower": A Whistle blower is an employee who raises a concern about any wrongdoing, event or information about an actual, suspected or anticipated Reportable Matter. The Whistle blower is not expected to prove the truth of the allegation; but s/he needs to demonstrate sufficient grounds for concern and good faith and without negligence.

"Reportable Matter": Reportable Matter includes:

1. General Malpractice:-

- Abuse of authority
- Breach of contract
- Malfeasance
- Negligence causing substantial & specific danger to public health & safety
- Manipulation of company data/records
- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in the preparation of Financial Statements or Misrepresentation of financial reports
- Any unlawful act whether Criminal/ Civil
- Pilferation of confidential/proprietary information
- Deliberate violation of law/regulation
- Wastage/misappropriation of company funds/assets
- Breach of Company Policy or failure to implement or comply with any approved Company Policy

2. Potential Infractions of the Code of Conduct
3. Breaches of copyright, patent and disclosure of confidential data/information to competitors/outsideers

“Audit Committee” means Audit Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 read with the rules thereon.

“Disciplinary Action”: means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties, termination or any such action as is deemed to be fit considering the gravity of the matter.

“Good Faith and without negligence”: means an employee shall be deemed to be communicating in “good faith and without negligence” if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith and without negligence 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.

“Ombudsperson”: means a person appointed by the Company, who ensures with the fair and expeditious resolution of complaints in an impartial, confidential and independent manner.

Disqualifications

A Reportable Matter should not be confused with a grievance related to employment/superior-subordinate relationship/relationship with peers. Likewise, complaints associated with unsatisfactory probation reports, performance evaluations, favouritism, and nepotism and alike would not be covered under this policy. Such cases shall be referred to the Human Resources Department and redress sought through other mechanisms established within the system. As regards vendors reportable matter should not be confused with grievance related to delays/non-payment, dissatisfaction from T&C of contracts etc. Reportable matter may include concern like Kick Backs/seeking bribes, Forgery, Misuse of KCL resources etc.

Accountabilities**Whistleblowers**

- a. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- b. Avoid anonymity when raising a concern
- c. Follow the procedures prescribed in this policy for making a Disclosure
- d. Co-operate with investigating authorities, maintaining full confidentiality
- e. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty disclosures. Malicious allegations by employees may attract disciplinary action.
- f. A whistle blower has the right to protection from retaliation.

Ombudsman

- a. Maintenance of documents pertaining to Investigation, Complaints etc.
- b. Maintenance of Register of issues
- c. Maintain confidentiality
- d. Conduct the enquiry in a fair, unbiased manner
- e. Ensure complete fact-finding
- f. Maintain strict confidentiality
- g. Documents the final report
- h. Provide information, documents to CEO regarding complaints.

CEO

- a. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- b. Final Decision on appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.

Reporting Mechanisms

Employee should raise Reportable Matters directly to the Ombudsperson appointed by the Company to receive all such complaints under this policy and ensure appropriate action. The employees can notify a Reportable Matter in the following way:

- By sending a complaint over email to the Ombudsperson.
- By sending a complaint physically through letter (in a sealed envelope) to the Ombudsperson

In order to enable the Company to effectively evaluate and investigate the complaint, the complainant must provide all the critical information and a detailed description of the Complaint.

Investigation

Any such disclosure/complaint received by the Ombudsperson (in this case the Company Secretary) would be investigated confidentially in order to avoid discrimination against the complainant.

The Ombudsman shall submit the Complaint (not later than 3 working days from the date of receipt of concern/disclosure) to the CEO.

While the Ombudsman will assist the CEO in the investigation , the final decision will be taken by the CEO. In case the complaint is against Company Secretary then the same should be reported by the Whistleblower directly to CEO. If the complaint is against the CEO then the same should be reported directly to the Chairman of the Audit Committee.

Anonymous complaint against a specific individual for sexual harassment will follow POSH policy.

Anonymous complaint against specific individual will not be encouraged however Anonymous complaint against specific Team / Department will follow normal process as per the policy.

All information disclosed during the course of the investigation will remain confidential, except as necessary or appropriate to conduct the investigation and take any remedial action, in accordance with any applicable laws and regulations. The Company reserves

the right to refer any concerns or complaints regarding Reportable Matters to appropriate external regulatory authorities.

If the malpractice constitute criminal offence Ombudsperson after consulting with CEO can take appropriate action including reporting to police. Ombudsperson to ensure implementation of Final decision/recommendation. The implementation of the CEOs order/suggestion / Audit Committee's order/suggestion shall be taken up within 15 working days.

Timelines

Complaints against any individual/Company Secretary:

Complaint received by Ombudsperson - intimation to CEO within 3 working days.

Completion of assessment and investigation of complaints by CEO/Ombudsperson - 1 month from intimation to CEO.

Implementation of final order - 15 days from order

Complaints against the CEO:

Completion of assessment and investigation of complaints by Audit Committee - 3 month from intimation

Implementation of final order Audit Committee - 15 days from order

False Complaints

All Employees are protected from victimization, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and without negligence and is not made maliciously. Whistleblowers who make any disclosures, which have been subsequently found to be mala - fide or malicious or who intentionally files a false report of wrongdoing will be subject to disciplinary action including termination wherever appropriate

Confidentiality of the Identity of the Whistleblower

Whistle-blower protections are provided in two important areas - confidentiality and against retaliation. In so far as possible, the confidentiality of the Whistle -blower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law.

Protection to Whistleblower

Protection

- i. If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle blowers' right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:
 - i. The communication/ disclosure is made in good faith and without negligence
 - ii. He /She reasonably believes that information and any allegations contained in it, are substantially true; and
 - iii. He/She is not acting for personal gain

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith and without negligence, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

2. 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 disciplinary action taken against 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/Vendor shall be assisting in the said investigation as and when required.

Documentation

The Ombudsman shall maintain documentation of all complaints or reports, subject to this Policy. The documentation shall include any written submissions provided by the complainant, any other Company documents identified in the complaint or by the Company as relevant to the complaint, a summary of the date and manner in which the complaint was received by the Company and any response by the Company to the complainant. All such documentation shall be retained by the Company for a minimum of five (5) years from the date of receipt of the complaint or as required by law, whichever is higher.

Policy Changes/Revision

The Risk Management Committee would be responsible for maintaining and carrying out subsequent modifications in accordance with the applicable regulations.