

WHISTLE BLOWER POLICY



KIOCL LIMITED

(CIN: L13100KA1976GOI002974)

**Regd. Office: IInd Block, Koramangala,
Bangalore -560034, Karnataka**

*(Originally adopted by the Board of Directors on December 6, 2012;
Amended on March 21, 2018 and amendment noted by the Board on May 22, 2018)*



1. Preface

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. This policy is formulated to provide Directors and Employee an avenue to lodge Complaints, in line with the commitment of Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication and to provide necessary safeguards for protection of Directors and Employees from reprisals or victimisation, for whistle-blowing in good faith.

2. Provisions / Guidelines Related to Whistle Blower Policy

a) Companies Act, 2013: [Section 177(9) & (10)]

States that "Every listed company or such class or classes of companies, as may be prescribed shall establish a vigil mechanism for Directors and Employees to report genuine concerns in such manner as may be prescribed." "The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimization of persons who use such mechanism and make provisions for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Provided that the details of establishment of such mechanism shall be disclosed by the Company on its website, if any, and in the Board's Report." As per Rule 7(2) of the Companies (Meetings of Board and its powers) Rules, 2014, companies where Audit Committee exists, it is the responsibility of the Audit Committee to oversee the Vigil Mechanism. Rule 7 (5) also provides that in case of repeated frivolous complaints being filed by a Director or an Employee, the Audit Committee may take suitable action against concerned Director or Employee, including reprimand.

b) Listing Regulations: [Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)]

Provides as a mandatory requirement for all listed Companies to establish a Whistle Blower Policy for Directors and Employees to report genuine concerns.

c) DPE guidelines on Corporate Governance for CPSE: (Para 10)

Suggests inclusion of a "Whistle Blower Policy" in the report on Corporate Governance in Annual Report of Companies, to report the management concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's General Guidelines on conduct or ethics policy, in the report on Corporate Governance in the Annual Report companies.



3. For the sake of absolute clarity, it is specified that the Whistle Blower Policy does not tantamount in any manner to dilution of the Vigilance mechanism in KIOCL. Rather, over and above the existing Vigilance Mechanism, any Protected Disclosure made by a Director or an Employee under this policy, if perceived to have a vigilance angle, shall be referred to the Chief Vigilance Officer of KIOCL, as per existing practice.

4. **Definitions**

4.1 “**KIOCL**” means KIOCL Limited.

4.2 “**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

4.3 “**Competent Authority**” means the Chairman-cum-Managing Director of KIOCL and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (CMD being the subject person), Competent Authority means Chairperson- Audit Committee.

4.4 “**Dedicated Confidential Section**” means any Section/Department of the Company which is decided by the Competent Authority from time to time for maintaining the records as per the Whistle Blower Policy.

4.5 “**Disciplinary Action**” means any action that can be taken on completion of / during the investigation proceedings by the Competent Authority as he deems fit considering the gravity of the matter.

4.6 “**Director**” means a Director appointed to the Board of a Company.

4.7 “**Employees**” means employee as defined in the KIOCL – Conduct, Discipline and Appeal Rules.

4.8 “**Improper Activity**” means unethical behaviour, actual or suspected fraud, embezzlement etc., violation of the Company’s general guidelines on conduct, moral turpitude, unlawful conduct etc. by an employee of KIOCL.

4.9 “**Investigators**” means those persons authorised, appointed, consulted or approached by the Competent Authority in connection with conducting investigation into a protected disclosure.

4.10 “**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.



4.11 “Service Rules” means the KIOCL – Conduct, Discipline and Appeal Rules.

4.12 “Subject” means a person against or in relation to whom a protected disclosure is made or evidence gathered during the course of an investigation.

4.13 “Whistle Blower” A Whistleblower is a Director or 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

4.14 “Reportable Matter”: Reportable Matter includes:

1. General Malpractice

- Abuse of authority
- Breach of contract
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of company data/records
- 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
- Any unlawful act whether Criminal/ Civil
- Pilferation of confidential/propriety 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/outside.

4.15 “Good Faith” : means a Director or 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 Director or an 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.



5. Scope

Whistle Blower Policy shall be applicable for all Directors and permanent Employees of the Company.

6. Interpretation

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 read with the Rules thereon and/or SEBI Act and/or any other SEBI Regulation(s) as amended from time to time.

7. Guiding Principles

- 7.1 Protected disclosures shall be acted upon in a time bound manner.
- 7.2 Complete confidentiality of the Whistle Blower will be maintained.
- 7.3 The Whistle Blower and/or person(s) processing the protected Disclosure will not be subjected to victimisation.
- 7.4 Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.
- 7.5 “Subject” of the Protected Disclosure i.e. Employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.
- 7.6 The Whistle Blower should bring to attention of the Competent Authority at the earliest any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.
- 7.7 The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.

8. Whistle Blower – Role & Protections

Role:

- 8.1 The whistle Blower’s role is that a reporting party with reliable information.



- 8.2 The Whistle Blower is not required or expected to conduct any investigations on his own.
- 8.3 The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he/she shall not have a right to participate.
- 8.4 Protected Disclosure will be appropriately dealt with by the Competent Authority.
- 8.5 The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

Protections:

- 8.6 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 Blower.
- 8.7 Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour 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.
- 8.8 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.
- 8.9 The identity of the Whistle Blower shall be kept confidential.
- 8.10 Any other Director or Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

9. Procedures – Essential and Handling Procedure Disclosure

- 9.1 The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the Whistle blower/complaint i.e. his/her Name, Employee Code and Location and should be inserted in an envelope which should be closed/secured/sealed. The envelope thus secured/sealed should be addressed to the Competent



Authority and should be superscribed "Protected Disclosure". *(If the envelope is not superscribed and closed/sealed/secured, it will not be possible to provide protection to the whistle blower as specified under this policy).*

- 9.2 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee, KIOCL.
- 9.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 9.4 Protected Disclosure should either be typed or written in legible hand writing in English, Hindi or Regional language of the place of employment of the Whistle blower, should provide a clear understanding of the improper activity involved or issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.
- 9.5 Investigations into any improper activity which is subject matter of an inquiry or order under the Commission of Inquiry Act, 1952 will not come under the purview of this policy.
- 9.6 The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:

Chairman-cum-Managing Director,
Competent Authority,
Whistle Blower Mechanism,
KIOCL Limited,
IInd Block, Koramangala,
Bangalore – 560 034.

- 9.7 The Contact details for addressing a protected disclosure to the Chairman, Audit Committee are as follows:

Chairman, Audit Committee,
Whistle Blower Mechanism
C/o Company Secretary
KIOCL Limited,
IInd Block, Koramangala,
Bangalore – 560 034.

On receipt of the disclosure/complaint by the Company Secretary, he shall immediately forward the sealed envelope to the Chairman, Audit Committee.



In addition to above, the exact address shall be displayed prominently on the notice Board of all locations.

9.8 The Competent Authority shall mark the envelope containing the Protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof.

9.9 The Competent Authority shall weed out frivolous complaints after a preliminary enquiry by the Confidential Section. The Competent Authority based on the recommendations of the Confidential Section and depending upon the merit of the case shall forward the Complaint to the investigator(s) nominated for this purpose without disclosing the identity of the Whistle Blower.

10. Investigations and Role of Investigators

Investigation:

10.1 Investigation shall be launched if the Competent Authority is satisfied after preliminary review that:

- a) The alleged act constitutes an improper or unethical activity or conduct; and
- b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information; it is felt that the concerned matter deserves investigation.

10.2 The decision taken by the Competent Authority to conduct an investigation is by itself not to be construed as an accusation and is to be treated as a neutral fact finding process.

10.3 The identity of the subject(s) and the Whistle Blower will be kept confidential.

10.4 Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.

10.5 Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

10.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or



tampered with, and witnesses shall not be influenced, threatened or intimidated by the subject(s).

- 10.7 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 10.8 The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
- 10.9 Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigator(s)

- 10.10 Investigators(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall derive their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his/their report to the Competent Authority.
- 10.11 All Investigators shall perform their role in an independent and unbiased manner; Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviours and observance of professional standards.

11. Action

- 11.1 If the competent authority is of the opinion that the investigation discloses the existence of improper activity, the competent authority may direct the concerned authority to take disciplinary action under applicable statutory provisions including referring the matter to Chief Vigilance Officer, KIOCL for appropriate action.
- 11.2 The competent authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.
- 11.3 If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the confidential section.



12. **Reporting & Review**

The competent Authority shall submit a quarterly report of the protected disclosures, received and of the investigation conducted and of the action taken to the Audit Committee for review.

13. **Notification**

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. The Whistle Blower policy shall be prominently displayed on all Notice Boards of the Company, circulated to recognised unions, management staff association. This policy, including amendments thereof shall also be made available on Company's website.

14. **Annual Affirmation**

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

15. **Amendment**

This Policy can be modified at any time by CMD of KIOCL. Such modifications shall also be reported to the Board.
