

KISANKRAFT LIMITED

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VIGIL MECHANISM (WHISTLE BLOWER) POLICY

(Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its powers) Rules, 2014)

Adopted by the Board of Directors on 15th November, 2017

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Signed by : Mr. Ravindra Kumar Agrawal, Managing Director

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1. PREFACE

Section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Power) Rules, 2014 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 vigil mechanism provides a channel especially to the employees of the Company to report to management, concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or ethics policy. The vigil mechanism is intended to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

KISANKRAFT LIMITED (“the Company”) is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. However, the possibility of malpractices occurring in an organization’s operations can never be ruled out and ignorance of this possibility demonstrates poor corporate governance with potentially disastrous consequences. Therefore, one of the cornerstones of good corporate governance is the existence of a mechanism which lays down the principles and standards that should govern the actions of the Company, its directors and employees and investigates complaints of malpractices with fairness.

The Company, thus being a Public Limited company, considering the view of continuous borrowings requirements of the Company, and in compliance with the aforesaid provisions of the Companies Act, 2013 and the rules made there under, the Company intends to establish a vigil mechanism for all the directors and employees of the Company.

2. POLICY

2.1 This Policy is for the Directors and the Employees as defined hereinafter.

2.2 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects directors and employees wishing to raise a concern about serious irregularities within the Company.

2.3 The policy neither releases directors and 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

2.4 The Policy has been drawn up so that the Directors and Employees can be confident about raising a concern. The areas of concern covered by this Policy are summarized in paragraph 5.

3. DEFINITIONS

3.1 “Director” means a Director on the Board of the Company whether whole-time or otherwise.

3.2 “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.

3.3 “Employee” means every employee of the Company (whether working in India or abroad) including Japanese expatriates stationed in India.

3.4 “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.

3.5 “Subject” means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

3.6 “Whistle Blower” is someone who makes a Protected Disclosure under this Policy.

3.7 “Whistle Officer” or “Committee” means an officer or Committee of persons who is nominated/appointed to conduct detailed investigation.

3.8 “Vigilance Officer/Ombudsperson” will be any member appointed for the purpose of receiving protected disclosures under this Policy and ensuring appropriate action.

Any terms covering the policy not defined hereunder, shall have the same meaning as provided under the Companies Act, 2013 and the rules thereunder.

4. THE GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

4.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;

4.2 Treat victimization as a serious matter including initiating disciplinary action on such person/(s);

4.3 Ensure complete confidentiality.

4.4 Not attempt to conceal evidence of the Protected Disclosure;

4.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;

4.6 Provide an opportunity of being heard to the persons involved especially to the Subject;

5. COVERAGE OF POLICY

5.1 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/Ethics Policy or Rules
11. Any other unethical, biased, favoured, imprudent event

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

6. DISQUALIFICATIONS

6.1 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.

6.2 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.

6.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious* shall be liable to be prosecuted under Company's Code of Conduct.

7. MANNER IN WHICH CONCERN CAN BE RAISED

7.1 Employees can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same.

7.2 Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.

7.3 If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter of investigation pursued under this Policy, it may be dismissed at this stage and the decision is documented.

7.4 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Whistle Officer/Committee nominated by the Ombudsperson for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.

7.5 Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Committee unless required for the purpose of investigation.

7.6 The Ombudsperson/Whistle Officer/Committee shall:

- i) Make a detailed written record of the Protected Disclosure. The record will include:
 - a) Facts of the matter
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether any Protected Disclosure was raised previously against the same Subject;
 - d) The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
 - e) Findings of Ombudsperson/Whistle Officer/Committee.
 - f) The recommendations of the Ombudsperson/Whistle Officer/Committee on disciplinary/other action/(s).

- ii) The Whistle Officer/Committee shall finalise and submit the report to the Ombudsperson within 15 days of being nominated/appointed, unless more time is required under exceptional circumstances.

7.7 On submission of report, the Whistle Officer /Committee shall discuss the matter with Ombudsperson who shall either:

- i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer /Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid re- occurrence of the matter;
- ii) In case the Protected Disclosure is not proved, extinguish the matter;

Or

- iii) Depending upon the seriousness of the matter, Ombudsperson may refer the matter to the Committee of Directors (Whole-time Directors) with proposed disciplinary action/counter measures. The Committee of Directors, if thinks fit, may further refer the matter to the Audit Committee for necessary action with its proposal. If any of the members of the Committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.

7.8 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairperson of the Audit Committee.

8. PROTECTION

8.1 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. 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 behavior 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.

8.2 The identity of the Whistle Blower shall be kept confidential.

8.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

9. PRECAUTIONS

It may be noted that an individual who knowingly makes frivolous, misleading or false complaints, will not be protected by this Policy and also can be penalized, as per the decision of the Ombudsperson in consultation with the Board. This will also apply to those individuals, who make false statements or give false evidence during the investigations. It may be noted that this Policy is mainly concerned with the redressals of indoor management along with all the employees and directors for various offences in the Company.

10. SECRECY/CONFIDENTIALITY

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
- b. not discuss the matter in any informal/social gatherings/ meetings
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d. not keep the papers unattended anywhere at any time
- e. keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

11. REPORTING

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

12. AMENDMENTS

This Policy may, from time to time, be modified or amended, as deemed fit by the Board or ombudsperson.

13. DISCLOSURES

This Policy shall be disclosed by the Company on its website and weblink of the same shall be disclosed in the Board's Report.

Annexure-A
(Strictly private & confidential)

Date:

From:

[Name]

[Employee Code]

[Designation]

[Department]

To:

Mr. Ravindra Kumar Agrawal
Vigilance Officer/Ombudsperson
KisanKraft Limited
Bangalore

Date:

Dear Sir/Madam,

Sub:

With reference to above, I/We, hereby wish to report my concerns of unethical behavior more particularly described in the enclosed complaint form.

Thanking You,

Yours faithfully,

(Signature of Complainant)

Note: In case of joint complaint, the said covering shall be sent by any one of the Complainant and name of each Complainant shall be provided in a separate sheet along with their signature.

COMPLAINT FORM:

Name of Subject against whom complaint is to be lodged:
Facts of Case:
Proofs, if any:
Damage or Loss caused:
Whether the above loss is official or personal: