

KALYANI FORGE LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY OF KALYANI FORGE LIMITED (Company)

1. PREMBLE

- 1.1. Section 177 of the Companies Act, 2013 requires every listed company to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company had adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern their actions. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company and should be brought to the attention of the concerned. A vigil mechanism shall provide for adequate safeguards against victimization of persons who can also use such mechanism for reporting genuine concerns including above. It also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.
- 1.3. Under these circumstances, the Company, being a Listed Company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

2. DEFINITIONS

- a. "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".
- b. "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.
- c. "Board" means the Board of Directors of the Company.
- d. "Code" means Code of Conduct for Directors and Senior Management Executives adopted by Kalyani Forge Limited.
- e. "Employee" means all the present employees and whole time Directors of the Company (Whether working in India or abroad).

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- f. "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.
- g. "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.
- h. "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.
- i. "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.

3. POLICY OBJECTIVES

- 3.1. The Company 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.
- 3.2. 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.
- 3.3. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/Managing Director/Chairman of the Audit Committee in exceptional cases.
- 3.4. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

4. The Guiding Principles

- 4.1. To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
- 4.2. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;

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- 4.3. Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- 4.4. Ensure complete confidentiality.
- 4.5. Not attempt to conceal evidence of the Protected Disclosure;
- 4.6. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;

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

5. SCOPE

- 5.1. The Policy covers malpractices and events which have taken place/suspected to take place involving:
 - 5.1.1. Abuse of authority
 - 5.1.2. Breach of contract
 - 5.1.3. Negligence causing substantial and specific danger to public health and safety
 - 5.1.4. Manipulation of company data/records
 - 5.1.5. Financial irregularities, including fraud, or suspected fraud
 - 5.1.6. Criminal offence
 - 5.1.7. Pilferation of confidential/propriety information
 - 5.1.8. Deliberate violation of law/regulation
 - 5.1.9. Wastage/misappropriation of company funds/assets
 - 5.1.10. Breach of employee Code of Conduct or Rules
- 5.2. 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.

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. ELIGIBILITY

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

8. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.

- 8.1. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower 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.
- 8.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.
- 8.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.
- 8.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee/ CEO/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.