

WHISTLE BLOWER POLICY

Elpro International Limited



WHISTLE BLOWER POLICY AND VIGIL MECHANISM

1. PREFACE:

As per the provisions of Section 177 of the Companies Act, 2013 & Rule 6 and 7 of Chapter XII Companies (Meetings of Board and its Powers) Rules, 2014, 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. As per provisions of Listing Agreement, every listed Company has to have a Whistle Blower Policy.

The Mechanism of Whistle Blower Policy and Vigil Mechanism has same intention to report improper activities or keep watch on ongoing improper and unethical activities of organization.

Elpro International Limited, being a listed Company has to comply with the establishment of vigil mechanism through the Audit Committee for the directors and employees and establishment of Whistle Blower Policy as per listing agreement.

The Company believes that its constituents (Directors, Employees and others) should conduct their affairs in fair and transparent manner by adopting highest standards of professionalism, integrity, honesty and ethics.

The purpose of Policy is to devise a procedure or mechanism by which Employee/s can report to the Company, allegations of known or suspected alleged Improper Activities.

2. DEFINITIONS

- a. **“Audit Committee”** means the Audit Committee of the Company constituted by the Board of Directors of the Company in accordance with Clause 49 of the Listing Agreement and provisions of Companies Act, 2013.
- b. **“Company”** means Elpro International Limited and its subsidiaries and shall also include any new corporate form it assumes in the future.
- c. **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- d. **“Improper Activities”** include, but are not limited to the following:
 - i. Questionable accounting, internal accounting controls or auditing matters;
 - ii. Disclosures in documents filed by the Company with statutory authorities and other public disclosures made by the Company that may not be complete or accurate;
 - iii. Fraudulent financial reporting;
 - iv. Violations of the Company’s Code of Conduct for Directors and Senior Management or other Code of Conduct framed by the Company, if any;
 - v. Violations of laws applicable to the Company;
 - vi. Fraud against the Company’s shareholders;



- vii. Forgery or alteration of documents;
- viii. Misappropriation or misuse of Company resources, such as funds, supplies or other assets;
- ix. Pursuit of a benefit or advantage in violation of conflict of interest policy of the Company;
- x. Authorizing or receiving compensation for goods not received or services not rendered;
- xi. Authorizing or receiving compensation for hours / days not worked;
- xii. Unauthorized alteration or manipulation of computer file, data, records;
- xiii. Disclosure of confidential information;
- xiv. Any unlawful act whether civil or criminal in nature;
- xv. Any other activity by an Employee that is undertaken in the performance of the Employee's official duties, whether or not that action is within the scope of his or her employment, and which is in violation of any law or regulation, or constitutes malfeasance, bribery, fraud, misuse of Company property, or willful omission to perform his or her duties or involves gross misconduct;
- xvi. Any other unethical, biased, favoured event.

- e. **"Mechanism"** means the Whistle Blower mechanism as per this Policy or vigil mechanism.
- f. **"Protected Disclosure"** means the communication made or concern raised in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- g. **"Policy"** means this Whistle Blower Policy.
- h. **"Whistle Blower"** means an employee of the Company and includes who makes communication or raises concern or discloses to manager, supervisor or the Whistle Blower Administrator of the Company about an activity which that person believes to be fraudulent or dishonest.
- i. **"Whistle Blower Administrator"** means an individual appointed by Board of Directors or the Chairman of Audit Committee.

3. PROCESS

Employee/s are encouraged to use the guidance provided by this Policy for reporting Improper Activities in accordance with the following:

a. **Administration of the Policy**

The Whistle Blower Administrator will be responsible for administering the Policy. Whistle Blower Administrator will report directly to the Audit Committee on matters arising under this Policy. If any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Audit Committee would deal with the matter on hand.

Responsibilities of Whistle Blower Administrator under this Policy shall include:

- i. Administering, implementing and overseeing ongoing compliance under the Policy.
- ii. Establishing, amending where necessary and administering procedures to assure that such reports of Improper Activities will be collected, reviewed promptly, treated or resolved in an appropriate manner, and retained.



- iii. Making himself or herself available to discuss with Employee/s any complaints raised or reports filed.
- iv. Notifying the sender and acknowledge receipt of the reported violation or suspected violation. All reports will be promptly investigated and appropriate corrective action will be taken if warranted after the investigation.
- v. Establishing, amending wherever necessary and administering procedures that enable Employee/s to submit reports of Improper Activities and related concerns in a confidential or anonymous manner.
- vi. Ensuring that the individuals of the Company who are responsible for preparing and reviewing the Company's statutory filings and other public disclosures are made aware of reports of Improper Activities involving the Company's accounting, auditing, and internal auditing controls or disclosure practices.

All resources of the Company shall be made available to the Audit Committee and Whistle Blower Administrator for implementing the Mechanism.

b. Reporting Requirement

Employee/s may report information concerning Improper Activities. Such reports may be submitted in a confidential or anonymous manner. Such reports may be made in writing to the Whistle Blower Administrator so as to assure a clear understanding of the issues, or may be in oral or telephonic conversation also.

Such reports should be factual rather than speculative and should contain specific information to allow for proper assessment of the nature, extent and urgency of the issues raised in the report.

Employee/s should provide as much specific information as possible including names, dates, places and events that took place, the Employees' perception as to why the incident constitutes an Improper Activity.

Reporting Employee/s should refrain from:

Obtaining evidence for which they do not have a right of access and Conducting their own investigation.

Reporting Employee/s who report Improper Activities on an anonymous basis must provide sufficient corroborating evidence to justify an investigation. Unspecified wrongdoing or broad allegations without verifiable evidentiary support may not lead to an investigation. Investigator may not be able to evaluate the credibility of an Improper Activity as investigator will not be able to interview anonymous reporting Employee/s and therefore, it is less likely that an investigation will be initiated.

c. Procedure for Reporting Improper Activities:

To submit a report involving any known or suspected Improper Activity, an Employee may send an email to the Whistle Blower Administrator or Chairman of the Audit Committee., with or without disclosing his identity. The complaint submitted on this link will be directly received by the Whistle Blower Administrator. Complaints or issues related to questionable accounting, internal accounting controls or auditing matters should be submitted directly to the Audit Committee. Reports submitted through this process that involve the Company's accounting, auditing, internal auditing



controls and disclosure practices will be presented to the Audit Committee. An Employee may utilize this process either to raise new complaints or if he or she feels that a complaint previously raised has not been appropriately handled / resolved. The Board shall from time to time decide the Whistle Blower Administrator and inform the same to the Employee/s. As a part of Board Meeting Agenda, a periodic item will be created where in the status of the grievance/ complaint received by the Audit Committee and the Whistle Blower Administrator will be informed and reported to the Board.

d. Decision

If the Whistle Blower Administrator concludes after an investigation that an Improper Activity has been committed, the Audit Committee shall discuss and direct the management of the Company to take such disciplinary or corrective action/s as the Audit Committee deems fit. If the matter is apparently severe the Company Secretary and/or Compliance Officer shall be instructed in writing by the Audit Committee Chairman alongwith the copy of the complaint to call a meeting of the Members of the Audit Committee to specifically discuss the genuine concern/ grievance reported. It is clarified that any disciplinary or corrective action initiated against any person shall adhere to the applicable personnel or staff conduct and disciplinary procedures of the Company.

e. Retention of Documents

All protected disclosures in writing or documents along with the results of investigation relating thereto shall be retained by the Company for minimum period of three years.

4. PROTECTION TO EMPLOYEE/S

- a. The identity of Whistle Blower shall be kept confidential.
- b. The Whistle Blower will be protected against threats of retaliation, discharge, victimization or other types of discrimination including compensation or terms and conditions of employment that are directly related to the disclosure of the report. In addition, no Employee may be adversely affected because the Employee refused to carry out a directive which, in fact, constitutes corporate fraud or is a violation of law.
- c. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- d. However, Employee/s who files reports of Improper Activities or provide evidence which they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by the above Policy statement and may be subject to disciplinary action and legal claims.
- e. The Mechanism shall provide adequate safeguards against victimization of employees and directors who avail the vigil mechanism. The Employees are also provided direct access to the Chairman of the Audit Committee or Whistle Blower Administrator. The details of establishment of such Mechanism shall be disclosed by the Company on its website and in the Board of Director's report.
- f. In case of repeated frivolous complaints being filed by a director or an employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand.

5. AMENDMENTS

The Whistle Blower Policy is subject to modification / amendment from time to time. Any amendment to the provision(s) of the Whistle Blower Policy will be communicated to the Employees after approved by the Board of Directors.

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