

Whistle Blower Policy

Introduction:

Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") requires every listed company to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. Further, the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 requires listed companies to have a whistle-blower policy and make employees aware of such policy to enable a Whistle Blower to report instances of leak of unpublished price sensitive information.

Purpose:

The objective of the policy is to provide a vigil mechanism for directors and employees to report genuine concerns and to provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and provide for direct access to the Managing Director, Chairman of the Audit Committee or the Board of Directors, as the case may be, in exceptional cases. A Whistle Blower can report any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. The policy gives a platform to the Whistle Blower to report the above mentioned practices to the Chairman of the Board of Directors, Audit Committee or Managing Director or Director (HR) and to define processes for receiving and investigating complaints. Although the complaint is not expected to prove the truth of an allegation, the complainant needs to demonstrate that there are sufficient grounds for concern and is not done as a malicious act against an individual.

Scope:

- a) This Policy is an extension of the Company's code of conduct and it applies to all the Directors, Officers, Employees of the Company (including expatriates and outsourced personnel), stakeholders of the Company including associates, contract personnel, vendors, customers, shareholders ("Whistle Blower").
- b) This amended policy shall come into force with effect from November 8, 2021.

Definitions:

- a) "**Act**" means the Companies Act, 2013 and Rules made thereunder, including any statutory amendment or modification thereof.
- b) "**Alleged Wrongful Conduct**" means violation of law, infringement of Company's code of conduct or ethics policies, mismanagement, misappropriation of monies, actual or suspected fraud, instances of leakage of UPSI or suspected leakage of UPSI, substantial and specific danger to public health and safety or abuse of authority.

- c) **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of the Listing Regulations.
- d) **“Board”** means the Board of Directors of the Company.
- e) **“Company”** means Elgi Equipments Limited and includes associates, joint ventures and subsidiaries.
- f) **“Chairman”** means Chairman of the Audit Committee of the Board of the Company.
- g) **“Code of Conduct and Ethics”** or **“The Code”** or **“Code”** means the Elgi Equipments Limited Code of Conduct and Ethics meant for all the Employees (*full time or part time*); Stakeholders and wherever appropriate also refers to the Code of Conduct for the Senior Management and Board Members; specified and governed by the specific policy documents.
- h) **“Director”** means a person as defined in Section 2(34) of the Act.
- i) **“Disciplinary Action”** means any action that can be taken on the completion of or during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties, termination and/or any such action as is deemed to be fit considering the gravity of the matter.
- j) **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- k) **“Insider Trading Code”** means the Code of Conduct for regulating, monitoring and Reporting of Trading by Designated persons and the Code of Practices and Procedures for fair Disclosures of Unpublished Price Sensitive Information adopted by the Company.
- l) **“Good Faith”**: 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 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.
- m) **“Investigator(s)”** mean those person/s authorised, appointed, consulted or approached by the Managing Director or Director - HR or the Chairman of the Audit Committee or the Board, as relevant, and includes the auditors of the Company and the police.

- n) **“Protected Disclosure”** means any communication made in Good Faith that discloses or demonstrates information that may prima facie evidence Unethical or Improper Activity or Alleged Wrongful Conduct, which are not in the best interests of the Company.
- o) **“Unethical and/or Improper Activity”** means an activity which does not conform to approved standard of social and professional behaviour thereby resulting in Unethical business practices.
- p) **“UPSI”** shall mean any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:-
- a) Financial Results
 - b) Dividends
 - c) Change in capital structure
 - d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions
 - e) Changes in key managerial personnel
 - f) Details of production
 - g) Quality aspects of company's products
 - h) Outcome of litigations
 - i) Introduction of new products
 - j) Significant breakthrough in R&D/Technology
- q) **“Whistle Blower”** means an Employee (Full time / Part Time / Outsourced / Past); Directors; Apprentices; Vendors; Suppliers; Customers and all other stakeholders directly or indirectly dealing with Elgi Equipments Limited and making a Protected Disclosure under the Policy.

Coverage of the Policy:

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

The Protected Disclosures may be in relation to matters concerning the Company but not limited to:

- a) Abuse of Authority
- b) Breach of Employee Code of Conduct / Rules
- c) Breach of Trust
- d) Criminal Offence having repercussion on the Company or its reputation
- e) Financial irregularities, including fraud or suspected fraud
- f) Manipulation of Company data / records
- g) Misappropriation or misuse of Company funds / Assets
- h) Negligence causing injury / loss of life and / or wastage of property
- i) Non- compliance of statutory requirements

- j) Pilferation of confidential / proprietary information
- k) Breach of confidentiality and sharing proprietary information
- l) Theft or pilferage of intellectual property rights of the company
- m) Wastage of material / assets, misappropriation of funds
- n) Leak or suspected leak of Unpublished Price Sensitive Information ("USPI")
- o) Any other unethical, imprudent deed / behaviour

Save as otherwise provided under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, the occurrence of any event referred to in this Policy including those events mentioned above shall be reported to the Managing Director or Director (HR) or the Chairman of the Audit Committee within a period of 30 (thirty) days of occurrence of such event.

In case USPI is shared or leaked by any person in contravention of the provisions of the Insider Trading Code and the code of conduct formulated by the Company in compliance with its obligations under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, such instances should be reported immediately on occurrence of such event to the compliance officer / Chairman of the Audit Committee. Upon receipt of complaint relating to such leakage/suspected leakage of USPI, the same would be investigated in accordance with the procedure as detailed in the Company's Code of Conduct. Such inquiry/investigation shall be promptly informed to the Securities and Exchange Board of India in compliance with requirements under the Code of Conduct and the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

Procedure:

All Protected Disclosures should be reported, in writing, to the Chairman of the Audit Committee or the Managing Director or Director (HR) or Board of the Company as per procedure provided for herein and as soon as the Whistle Blower becomes aware of the same but not later than thirty days after becoming aware of it.

- a) The Policy shall be administered jointly by the Managing Director and Director (HR) of the Company.
- b) The Company has assigned the e-mail ID whistleombudsman@elgi.com on which the employee can report or send a written complaint to the Managing Director or Director (HR) of the Company.
- c) The Whistle Blowing procedure is extended to be used for serious and sensitive issues and the complaint should be specific in nature containing sufficient details to permit investigation without need for direct contact.
- d) The complaint shall include the nature and facts of the complaint, People involved, the impact, Monetary or otherwise on the company, the Name, address/ work location of the Complainant and supporting documents and any other evidence
- e) The Protected Disclosures should be submitted in a closed and secured envelope dispatched to the Managing Director or Director (HR) of the Company and should be super scribed as "Protected Disclosure under the Whistle Blower Policy".
- f) If a Protected Disclosure is received by any executive of the Company other than the above persons, the same should be forwarded to the Managing Director or Director (HR) of the Company or Chairman of the Audit Committee for further appropriate action. Appropriate care will be taken to keep the identity of the whistleblower confidential.

- g) Consistent with the Company's philosophy, the Company would expect the complainants to put their names for investigation purposes. Anonymous complaints will be entertained only if they contain the following particulars; nature and facts of the complaint, people involved, impact-monetary or otherwise on the Company and supporting documents and any other evidence. Anonymous complaints should also contain an e-mail id to which the Company can reach out in case it needs any further particulars or clarifications. In case the allegation has, consequent to an investigation, has been found to have been made with malafide intentions or is frivolous in nature, or is not genuine, the same will be dropped.
- h) The process of investigation may take the help of the Head of Internal Audit or any other person(s). The investigation will be completed within 60 days of the receipt of the complaint. Within 60 days the decision on the complaint will be communicated to the Whistle Blower by either the Director HR or the Managing Director.
- i) For any complaint, where initial enquiries indicate that further investigation is necessary, the Director HR or Managing Director may constitute a Committee to assist them with the investigation. Based on their findings as recommended to the Director HR or Managing Director appropriate course of action will be taken.
- j) Where the complaint itself is against the Managing Director or Director-HR or when the complainant is not satisfied with the outcome of the investigation carried out by the Managing Director or Director (HR), then the whistle blower can forward the Protected Disclosure to the Chairman of the Audit Committee by way of email to cmnauditcommittee@elgi.com.
- k) The Chairman of the Audit Committee will inform the Complainant the date, time and place where he/she can meet. This will be communicated at least eight days in advance.
- l) Where the complaint itself is against the Chairman of the Audit Committee, then the whistle blower can forward the Protected Disclosure to the Board of the Company for initiating enquiry.
- m) The Committee/Board deliberations shall be incorporated in the minutes and documented as part of the final report.

Reporting

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

Investigation

The Company may conduct investigations either triggered by the blowing of a whistleblower or for any other reason that leads it to suspect moral turpitude in an Employee.

- a) In such a case Employee information held by the Company may be accessed and used for the purpose of the investigation without informing the employee concerned or obtaining his consent with the below safeguards.
- b) Similar safeguards shall also apply to requiring an Employee to provide any personal data not held by the company.
- c) If the data of an Employee who is not the subject of the investigation is required, his consent for its use shall be taken unless taking such consent would prejudice the investigation; in which case similar safeguards as required above would apply.

Safeguards

- a) The safeguards referred to above are:
- the investigator shall make written request to the Employee concerned to access data in the company's possession or to ask the subject or other Employee to disclose any personal data. The request shall be specific as to the purpose of the request and the elements of data required;
 - the consent shall be obtained from an officer of the Company who is designated for this purpose;
 - the officer shall satisfy himself that (a) the data requested is necessary for the purpose of the investigation, (b) that it is in the legitimate interests of the company or of third parties, (c) that the fundamental rights of the subject of the investigation do not outweigh the legitimate interests of the company or of third parties and (d) that the investigator has adequate safeguards to prevent its leak;
 - the officer shall document his reasons for arriving at any conclusion to permit or deny requests from the investigator;
 - an appeal against the decision of the designated officer shall lie with the Managing Director, whose decision shall be final;
 - the data shall be expunged and destroyed once the investigation is completed and any proceedings emanating from it have also reached conclusion.
- b) The right of an Employee to access his data shall not include the right to be made aware of such an investigation or to access its papers and findings or to be informed of the person or persons who blew the whistle that resulted in the investigation. However, if the whistle blower has acted maliciously and the subject Employee has been found to be innocent, the Managing Director or the Chairman of the Audit Committee, as relevant, may, at his discretion and on the subject employee's request, permit the whistle-blower's name to be provided to the subject employee.
- c) If the investigation requires interception and/or making recordings of electronic or paper communications, including phone calls, that too shall be subject to the above stated safeguards. In doing so, special precautions shall be taken to protect the interests and privacy of third parties with whom the subject of the investigation is communicating.
- d) The investigator shall not require disclosure of passwords or credentials to access personal email and social media accounts of the subject of an enquiry. Only in the most necessary cases shall the subject be asked to provide a view of such mails or accounts which he may deny without any prejudice to his position.
- e) If the investigation is being conducted by third parties appointed for that purpose, all of the above safeguards shall apply equally to them. In such a case the appointment letter of the third party shall specify the purpose of the investigation and of the safeguards required.
- f) Nothing in the foregoing shall permit a "fishing expedition" by investigators.
- g) The investigator(s) shall be responsible for strict compliance with the aforesaid.

Confidentiality

The investigation proceedings shall be carried out in strict confidentiality, in an unbiased manner and shall ensure thorough fact finding. The Whistle Blower-Complainant, Managing Director or Director (HR), Audit Committee Chairman or the Board, as relevant, and every internal and external stakeholder 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) Not to keep papers unattended anywhere at any time.
- d) Keep the electronic mails / files under password.

Safeguarding the Interest of the Whistle Blower

The Company will not tolerate harassment or victimization and will take action to protect the whistle blower. The Company assures every Whistle Blower, protection against unfair termination or any other disciplinary action or unlawful discrimination or retaliation in any manner for blowing the whistle under this policy. The Company will do its best to protect whistle blower's identity when he/she makes a complaint. It must be appreciated, however, that the investigation process may require a statement by the whistle blower as part of the evidence.

All Protected Disclosures in writing or documented along with the results of investigation relating thereto will be retained by the Company for (a) A minimum period of three (3) years; (or) (b) In accordance with the company's record retention policy; (or) (c) As specified by any other law, whichever is more.

Malicious Allegations

The intent of the policy is to bring genuine and serious issues to the fore. Allegations based not on reality but due to malicious intent will result in serious consequences and strong disciplinary action against the complainant concerned.

Amendments

The Board of Directors of the Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and Employees unless the same is notified to the Directors and Employees in writing.

The policy is available at the website of the Company at www.elgi.com.