

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whistle-blower policy and make employees aware of such policy to enable a Whistle Blower to report instances of leak of unpublished price sensitive information.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 victimization of employees and directors who avail of the vigil mechanism and provide for direct access to the Head-Internal Audit, Chairman of the Audit Committee or the Board of Directors, as the case may be. 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 ("TELGi") to report the above mentioned practices to Head-Internal Audit, Chairman of the Audit Committee or the Board of Directors 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 AND ITS SUBSIDIARIES (INCLUDING EXPATRIATES AND OUTSOURCED PERSONNEL), ASSOCIATES, APPRENTICES, TRAINEES, CONTRACT PERSONNEL, BUSINESS PARTNERS SUCH AS CONTRACTORS, SUPPLIERS, AGENTS & CONSULTANTS.
- B) COMPLAINTS IN THE FOLLOWING AREAS WILL BE ENTERTAINED BY ETHICS HELPLINE: TELGI
ALLEGED WRONGFUL CONDUCT;
UNETHICAL AND/OR IMPROPER ACTIVITY
- C) THIS AMENDED POLICY SHALL COME INTO FORCE WITH EFFECT FROM 12TH AUGUST, 2022.

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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 and Ethics policies, mismanagement, misappropriation of monies, actual or suspected fraud, instances of leakage of UPSI or suspected leakage of UPSI, corruption, bribery, conflict of interest, harassment and workplace practices/ discrimination, 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 Act and read with Regulation 18 of SEBI Listing Regulations.
 - d) "Board" or "Board of Directors" means the Board of Directors of the Company.
 - e) "Company" means Elgi Equipments Limited and includes its 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) "Compliance Officer" means the Company Secretary of the Company who is the authorized officer to investigate complaints on leakage of UPSI or violations of the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, or the Insider Trading Code.
 - i) "Director" means a person as defined in Section 2(34) of the Act.
 - j) "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.
 - k) "Employee" means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
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- l) "Head Internal Audit" means an employee of the Company who is qualified as a chartered accountant, cost accountant or any other professional appointed as such by the Audit Committee and the Board of Directors of the Company.
- m) "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.
- n) "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.
- o) "Investigator(s)" mean those person/s (internal and/or external) authorized, appointed, consulted or approached by the Head-Internal Audit, the Chairman of the Audit Committee or the Board, as relevant, and includes the auditors of the Company and the policy.
- p) "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.
- q) "Unethical and/or Improper Activity" means an activity which does not conform to approved standard of social and professional behavior .
- "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:-
 - Financial Results
 - Dividends
 - Change in capital structure
 - Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business
 - and such other transactions
 - Changes in key managerial personnel
 - Details of production
 - Quality aspects of company's products
 - Outcome of litigations
 - Introduction of new products
 - Significant breakthrough in R&D/Technology

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- r) "Whistle Blower" means in relation to the Company, officers and Employees (Full time / Part Time / Outsourced / Past); Directors, ; Apprentices; Associates ,Vendors/ Suppliers, Trainees, Contract personnel, agents, consultants ; relatives, dependents or spouses of any of these people ,and making a Protected Disclosure under the Policy.

COVERAGE OF THE POLICY

All Whistle Blowers 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 relating to an Alleged Wrongful Conduct and/or Unethical and/or Improper Activity, which apart from its definition may also include but are not limited to:

- Abuse of Authority
- Breach of Employee Code of Conduct / Rules
- Breach of Trust
- Criminal Offence having repercussion on the Company or its reputation
- Financial irregularities, including fraud or suspected fraud and/or Willful non-adherenceto financial regulations or guidelines defined by the Code of Conduct and Ethics Manipulation of Company data / records
- Misappropriation or misuse of Company funds / Assets
- Negligence causing injury / loss of life and / or wastage of property
- Non- compliance of statutory requirements
- Timing or integrity in reporting of financial or accounting transactions
- Kickbacks in procurement and receiving or offering of any consideration- financial or otherwise- to/from any internal/external party regardless of actual motivation
- Any transaction, activity or relationship that could result in interference to the positionheld within the organization
- Discrimination at workplace based on caste, color, age, race, religion, sex, sexual preferences and prevention of harassment , sexual or otherwise, at the workplace(provided that a sexual harassment complaint will be dealt with the due process prescribed by law and the Company's sexual harassment policy)
- Victimization
- Leakage of confidential / proprietary information
- Breach of confidentiality and sharing proprietary information
- Theft or pilferage of intellectual property rights of the company
- Wastage of material / assets, misappropriation of funds
- Leak or suspected leak of Unpublished Price Sensitive Information ("UPSI") Any other unethical, imprudent deed / behavior

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PERSONAL WORK-RELATED GRIEVANCES

A personal work-related grievance is a report of behavior that has implications for the discloser personally and does not have significant implications for the Company (that do not relate to the Employee). Examples include:

- An interpersonal conflict between one Employee and another Employee, or
- A decision relating to an Employee's employment or engagement, such as a transfer, promotion, or disciplinary action.

Personal work-related grievances do not qualify for protection under the Whistleblower Laws or this Policy. Personal work-related grievances must be raised with the Employee/s' superiors and/or Human Resources Department.

The occurrence of any event referred to in this Policy including those events mentioned above shall be reported through the helpline TELGi to the Head-Internal Audit or to the Board of Directors or to the Chairman of the Audit Committee to his e-mail address, which is cmnauditcommittee@elgi.com, as relevant and as described in this policy, within a period of 30 (thirty) days of occurrence of such event. Provided that a complaint or event reported as per the foregoing procedure which is connected to or related to sexual harassment will be dealt with as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, read with the Company's policy on sexual harassment, as amended from time to time.

In case UPSI 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 UPSI, 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, through the helpline mentioned above or to the Head-Internal Audit or Chairman of the Audit Committee or the Board of the Company as relevant and 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 by the Head-Internal Audit of the Company. Head – Internal Audit should report to the Audit Committee the status of complaints received on a quarterly basis.

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- b) The Company has assigned a helpline TELGi (<https://telgi.app>) and e-mail ID cmnauditcommittee@elgi.com on which the employee can report or send a written complaint to 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. Name, address/ work location of the Complainant and supporting documents and any other evidence, if provided, will facilitate expeditious and thorough enquiry.
- e) The Protected Disclosures should be super scribed as "Protected Disclosure under the WhistleBlower Policy".
- f) If a Protected Disclosure is received, the same should be forwarded to the Head - Internal Audit of the Company or Chairman of the Audit Committee or the Board of Directors for further appropriate action. Appropriate care will be taken to keep the identity of the whistleblower confidential.
- g) Whistle blowers provide initial information based on a reasonable belief that an alleged wrongful conduct has occurred. The motivation of a whistle-blower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report, whether orally or in writing, is itself considered an improper activity. Whistle blowers shall refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered an improper activity.
- h) 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 corroborating evidence. If anonymous complaints contain an e-mail id , it will help the Company reach out to the Complainant 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.
- i) The process of investigation shall take the help of any person/s as the Head of Internal Audit may decide. The investigation will be completed within 90 days of the receipt of the complaint.
- j) For any complaint, where initial enquiries indicate that further investigation is necessary, the Head-Internal Audit may constitute a Committee to assist him/her with the investigation. Based on their findings as recommended to the Chairman of the Audit Committee or the Board of Directors, appropriate course of action will be taken.

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- k) Where the complainant is not satisfied with the outcome of the investigation carried out by the Head-Internal Audit, then the whistle blower can forward the Protected Disclosure to the Chairman of the Audit Committee by way of email to cmnauditcommittee@elgi.com within a reasonable time.
- l) 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.
- m) Where the complaint itself is against the Head-Internal Audit, the Chairman of the Audit Committee will conduct the investigation using internal or external assistance and when the complaint 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. Complaints against a Board Member will be investigated by the entire Board, excluding the director/s who is/are to be investigated.
- n) The Head-Internal Audit/Committee/Board's 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. However, where the complaints are of a serious nature, for eg; fraud, financial irregularities, sexual harassment etc, the Audit Committee/Board shall be informed as soon as the investigation is completed and the final report is available.

INVESTIGATION

The Whistle Blower must provide as much detailed information as possible to enable a fair investigation.

Some useful details include:

- date, time and location;
- names of person(s) involved, roles and their business group; relationship with the person(s) involved;
- the general nature of concern;
- how he/she became aware of the issue; possible witnesses; and
- other information that he/she has to support the complaint.

The identity of a Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

The Head-Internal Audit or Chairman of the Audit Committee or the Board of Directors, as relevant, may conduct investigations either triggered by the blowing of a Whistle Blower or for any other reason that leads it to suspect moral turpitude in the person who is investigated (the " Subject").

- a) In such a case the Subject's 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.

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- b) Similar safeguards shall also apply to requiring a Subject to provide any personal data not held by the company.
- c) If the data of a person 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 Subject concerned to access data in the Company's possession or to ask the Subject or other persons 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 the Head-Internal Audit of the Company who is the "officer" 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 Head-Internal Audit or the Chairman of the Audit Committee shall lie with the Chairman of the Audit Committee and the Board of Directors, respectively in that order, 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 the Subject 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 has been found to be innocent, Head-Internal Audit, the Chairman of the Audit Committee or the Board of Directors, as relevant, may, at his discretion and on the subject's request, permit the whistle-blower's name (if available) to be provided to the Subject.
- 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.

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- 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.
- h) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- i) Subjects 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.
- j) Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or the Whistle Blower.
- k) Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- l) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- m) Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

If an investigation leads the Investigator/s to conclude that an improper or unethical act has been committed, he/they shall recommend to the Audit Committee / Board of Directors of the Company to take such disciplinary or corrective action as the Audit Committee / Chairman of the Board deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

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Whistle Blower/s whose complaints have been proven/ substantiated through the investigative process will be honored at the bi-monthly employee communications meetings and they will be given an opportunity to meet the Audit Committee members/Board of Directors at their immediately following meetings. Such Whistle Blowers shall also be projected as a role model to follow.

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, Head-Internal Audit, Audit Committee Chairman or the Board, as relevant, and every internal and external stakeholder involved in the process shall:

- Maintain complete confidentiality / secrecy of the matter.
- Not discuss the matter in any informal / social gatherings / meetings. Not to keep papers unattended anywhere at any time.
- 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. A whistleblower's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation or any other misconduct or wrong doing.

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 are discouraged and Complainants are advised to refrain from making false complaints.

AMENDMENTS

The Audit Committee / 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.