

Purpose:

To formulate and implement a Whistle Blower Policy for safeguarding the interest of the Complainant (Whistle Blower). A Whistle Blower can report any unethical or improper (not necessarily violation of law) 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 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 (collectively hereinafter referred to as 'Whistle Blower').
- b. This policy shall come into force w.e.f. August, 1st 2014.

Coverage of the Policy:

The Policy covers malpractices and events which have taken place / suspected to take place involving:

- 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. Any other unethical, imprudent deed / behaviour
- o. Leak or suspected leak of Unpublished Price Sensitive Information (UPSI)

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: -

- i. Financial Results
- ii. Dividends
- iii. Change in capital structure
- iv. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions
- v. Changes in key managerial personnel
- vi. details of production
- vii. quality aspects of company's products
- viii. outcome of litigations
- ix. introduction of new products
- x. significant breakthrough in R&D/Technology

Procedure:

- The Whistle Blower Policy ('the Policy') shall be administered jointly by the Managing Director and Director (HR) of the Company.
- 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.
- 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.

The complaint shall include:

- Nature and facts of the complaint
 - People involved
 - The impact, Monetary or otherwise on the company
 - Name, address/ work location of the Complainant.
 - Supporting documents and any other evidence
- 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.

- The process of investigation may take the help of the Head of Internal Audit or any other person. 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 Managing Director.
- For any complaint, the Director HR or Managing Director may constitute a small 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.
- Only in exceptional cases, 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), he can directly appeal to the Chairman of the Audit Committee by way of email to cmnauditcommittee@elgi.com.
- The Chairman of the Audit Committee will inform the Complainant the date, time and place where s/he can meet. This will be communicated at least eight days in advance.
- The Committee deliberations shall be incorporated in the minutes and documented as part of the final report
- Every quarter, a summary of all the complaints received will be put forward to the Chairman of the Audit Committee.

Confidentiality:

The 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 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 (Complainant). 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.

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:

This Policy may be amended from time to time by the Board based on the recommendation of Managing Director.