

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

1. Preface

ISMT Limited (“**Company**”) has adopted the Whistle Blower Policy/ Vigil Mechanism (“**Policy**”) with the objectives of enhancing the standards of ethical conduct for the highest degree of transparency, integrity, accountability, corporate social responsibility and to ensure that a robust vigil mechanism is in place and is operative. Any actual or potential violation of the Policy would be a matter of serious concern for the Company. The employees can play an important role in pointing out such violations of the Policy.

Section 177(9) of the Companies Act, 2013 (“**Act**”), Regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**SEBI PIT Regulations**”) and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**Listing Regulations**”) provides that every listed company shall establish a vigil mechanism for its directors and employees to report genuine concerns.

Pursuant to the provisions of the Act, read with Rules thereof and the Listing Regulations, every listed company shall establish a vigil mechanism called ‘Whistle Blower Policy/ Vigil Mechanism’ for directors and employees to report genuine concerns including but not limited to unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct for Board of Directors and Senior Management (“**Code**”), Kirloskar Group Employee Code of Conduct, ethics policy or any other instance to the Chairman of the Audit Committee of the Board of Directors of the Company.

Accordingly, this Policy has been formulated with a view:

- To provide a vigil mechanism for directors and employees of the Company and other persons dealing with the Company as defined hereinafter. The areas of concern covered by this Policy are summarized herein below.
- To safeguard the interest of such directors/ employees/ persons against victimization, who notice and report any unethical or improper practices.
- To appropriately communicate existence of such mechanism, to its directors and employees.
- To encourage employees of the Company to raise concerns or make disclosures when they become aware of any actual or potential violation of the Code or Kirloskar Group Employee Code of Conduct or ethics policy of the Company, policies or law.
- To also encourage reporting of any event (actual or potential) of misconduct that is not reflective the values and principles of the Company. Avenues available for raising concerns or queries or reporting cases could include:
 - Ethics Ombudsmen/ Counsellor;
 - Ethics Committee of the Company;
 - Confidential reporting third-party ethics helpline (if available)

2. Definitions

Definitions of some of the terms used in this Policy are given below. Other terms not defined herein shall have the meaning assigned to them under the Code.

- a) “**Audit Committee/ Committee**” means the Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Act, read with Rules thereof and the Listing Regulations, including amendments thereof.
- b) “**Company**” means ISMT Limited.
- c) “**Director**” a Director on the Board of Directors of the Company.
- d) “**Disciplinary Action**” Any action that can be taken on completion of or during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as deemed fit considering the gravity of the matter.
- e) “**Employee**” means every employee of the Company (whether working in India or abroad), including a Director in the employment of the Company.
- f) “**Ethics Committee**” a Committee as constituted by the Board of Directors of the Company
- g) “**Investigators**” mean any person authorized, appointed, consulted or approached by the Ethics Ombudsman/ Counsellor/ Ethics Committee/ Committee to carry out investigation in the Protected Disclosure.

- h) **“Persons dealing with the Company”** means vendors, customers, contractual service providers, contractors, agency staff dealing with the Company.
- i) **“Protected Disclosure”** means a concern raised in good faith that discloses or demonstrates information that may evidence unethical or improper activity or suspected fraud or aforesaid instances or violation of the aforesaid Codes/ Policies.
- j) **“Subject”** A person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- k) **“UPSI”** shall mean such information which is considered/ deemed to be an unpublished price sensitive information in accordance with the SEBI PIT Regulations or the ‘Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives of Designated Persons of the Company’ or the ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company’.
- l) **“Whistle Blower”** means a director, employee and other person dealing with the Company making a Protected Disclosure under this Policy, keeping the Company’s interest in mind.

3. Scope

This Policy is applicable to all directors and employees of the Company and persons dealing with the Company. All directors, employees of the Company and persons dealing with the Company are eligible to make Protected Disclosure under the Policy. The Protected Disclosure may be in relation to matters concerning the Company.

4. Guiding Principles

Whistleblower shall have access to the Ethics Ombudsman/ Counsellor/ Ethics Committee whose details are provided in the Annexure A to this Policy and in appropriate/ exceptional cases direct access to the Chairperson of the Audit Committee. To ensure that this Policy is adhered to and to assure that the genuine concern raised will be acted upon seriously, the Company will:

- a) Ensure complete confidentiality;
- b) Not attempt to conceal evidence of the Protected Disclosure;
- c) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/ to be made;
- d) Provide an opportunity of being heard to the persons involved especially to the Subject.
- e) Provide for adequate safeguards against victimization to whistleblower.

5. Indications to raise an alarm

A matter can be considered serious for alarm to be raised if it satisfies the following conditions:

- a) Serious violation of any organizational level policy, indicating weakness in internal control process;
- b) Matter is likely to receive media or public attention;
- c) Abuse of authority at any defined level in the Company;
- d) Exposes the Company to a significant monetary or non-monetary liability;
- e) Acts involving acceptance of bribes or any other form of corruption;
- f) Disclosure of confidential or proprietary information to any outsiders;
- g) Leakage of UPSI, by any person, who is in possession of UPSI, to any other person in any manner whatsoever, except as otherwise permitted under the SEBI PIT Regulations or the ‘Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Immediate Relatives of Designated Persons’ or the ‘Code of Practices and Procedures for Fair Disclosures of UPSI’ of the Company or the ‘Code of Practices and Procedures for Fair Disclosure of UPSI’ of the Company;
- h) Financial irregularities, including fraud or suspected fraud;
- i) Indicates an incident/ possible incident of sexual harassment at the workplace; or
- j) Any other unethical, biased, favoured, imprudent event.

Exceptions to the above

- a) Any matter which is an individual employee personal or career related grievances, grievances relating to the terms & conditions of employment, dissatisfaction with appraisals and awards.
- b) Any matter arising out of business or financial decisions taken by the Company.

6. Disqualifications

- a) Bringing to light personal matters regarding another person, which are in no way connected to the Company.
- b) While it would be ensured that genuine Whistle Blowers are protected from any kind of unfair treatment as herein set out, any abuse of such protection would warrant disciplinary action.
- c) Protection under this Policy would not mean protection from disciplinary action against false or bogus allegations made by a Whistle Blower, knowing it to be false or bogus, or any Protected Disclosure made with a *mala fide* intention.
- d) Whistle Blowers, who make Protected Disclosure subsequently, found to be *mala fide*, frivolous, vexatious, malicious, or reported otherwise than in good faith, will be disqualified from making further Protected Disclosure under this Policy.

7. Reporting Mechanism

- a) The Company established mechanism to process and investigate Protected Disclosure. This mechanism operates under the supervision of the Committee. Protected Disclosure are to be made to the Ethics Ombudsman/ Counsellor as per the contact details provided in the Annexure A to this Policy.
- b) In exceptional cases, Employees have a right to make Protected Disclosures directly to the Chairman of the Committee as per the contact details provided in the Annexure A to this Policy.
- c) To enable the proper investigation of any Protected Disclosure, a Protected Disclosure should include as much information as possible concerning the Protected Disclosure. To the extent possible, the following information should be provided:
 - i. the nature of the Protected Disclosure (for example, if the Protected Disclosure concerns an alleged violation of the aforesaid Code(s), please refer to the name of the Code and relevant provisions of the said Code that is alleged to have been violated);
 - ii. the names of the Employee(s) to which the Protected Disclosure relates;
 - iii. the relevant factual background concerning the Protected Disclosure (for example, if the Protected Disclosure concerns a violation of the Code of Conduct, please include information about the circumstances and timing of the violation); and iv. description of documents, if any.
- d) To enable further investigation of Protected Disclosure, Whistle-blowers are strongly encouraged to provide their name and contact details whenever they make a Protected Disclosure under this Policy.
- e) All Protected Disclosure are taken seriously and will be promptly scrutinized and investigated in accordance with the mechanism set up by the Company on Responding to Protected Disclosure. All Protected Disclosure reported under this Policy, if required, will be thoroughly investigated by the Investigator(s).

8. Protection

- a) No unfair treatment shall be given to a Whistle Blower by virtue of his having made a Protected Disclosure under this Policy.

The Company shall ensure that any kind of discrimination, harassment, victimization or any other unfair employment practice is not adopted against Whistle-blower. Complete protection will, therefore, be given to Whistle-blower against any unfair practice like retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour or the like including any direct or indirect use of authority to obstruct the Whistle-blower's right to continue to perform his duties/ functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure.

- b) The identity of a subject and the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Ethics Ombudsman/ Counsellor/ Ethics Committee/ Committee (e.g. during investigations carried out by Investigators).
- c) Any other employee/ person assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

9. Reporting

A report shall be placed before the Committee on a periodical basis, about all Protected Disclosure referred to the Committee, since the last report together with the results of investigations, if any, actions recommended and implemented.

10. Retention of documents

All Protected Disclosure along with evidences gathered during investigation and results and other investigation documents relating thereto, shall be retained by the Company for a minimum period of seven years.

11. Communication of policy

The Policy shall be communicated by displaying on the website of the Company.

12. Amendments

This Policy may be amended or modified from time to time in case of any subsequent changes to the provisions of applicable Regulations or which deems necessary to strengthen Whistle Blower Policy/ Vigil Mechanism.

For ISMT Limited

Rahul Kirloskar

Chairman

Date: January 24, 2023

Place: Pune

Approval History

S. No.	Date of Board Approvals
1	February 12, 2015
2	March 30, 2019
3	January 24, 2023

Whistle Blower/ Vigil Mechanism

Contact Details

Sr. No.	Name of Person	Designation	E-mail Address
1	Mr. S Venkataramani	Chairman – Audit Committee	venkat@venkataramani.in
2	Mr. Kishore Bharambe	Ombudsman	kishore@ismt.co.in
3	Mr. Nishikant Ektare Mr. Suresh Patil Mr. Zakir Shaikh Mr. Durga Rao Mr. Chetan Nathani	Ethics Committee	nishikant.ektare@ismt.co.in suresh.patil@ismt.co.in zakir.shaikh@ismt.co.in durgarao@ismt.co.in chetan.nathani@ismt.co.in