

Su-Kam Power Systems Limited.

Whistle Blower Policy/ Vigil Mechanism

1. PREAMBLE

- 1.1. The Company has adopted the Code of Ethics & Business Conduct, which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of employees in pointing out such violations of the Code cannot be undermined. Accordingly, this Whistleblower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.
- 1.2. As per Section 177 (9) of the Companies Act, 2013, every listed company and Companies which accept deposit from the public and Companies which have borrowed money from banks and public financial institutions in excess of fifty Crore Rupees are required to establish a **vigil mechanism** for the directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.3. Under these circumstances, Su-Kam Power Systems Limited proposes to establish a Whistle Blower (Vigil) Mechanism and to formulate a Whistle Blower Policy.
- 1.4. As per Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee of the Company shall oversee the vigil mechanism as laid down in this Policy

2. POLICY OBJECTIVES

- 2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct, unethical behaviour, actual or suspected fraud or violation of the Code of conduct or policy to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- 2.2. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. SCOPE OF THE POLICY

- 3.1. This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

Whistle Blower / Vigil Mechanism Policy shall be applicable for all permanent employees and all directors of the Company.

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

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
6. Any unlawful act whether Criminal/ Civil
7. Pilferation of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of Company Policy or failure to implement or comply with any approved Company Policy

Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

4. DEFINITIONS

- 4.1. **“Alleged wrongful conduct”** shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- 4.2. **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 177 of the Companies Act, 2013.
- 4.3. **“Board”** means the Board of Directors of the Company.

- 4.4. **“Company”** means Su-Kam Power Systems Limited and all its offices.
- 4.5. **Disciplinary Action** means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter
- 4.6. **“Employee”** means all the present employees, Managing Director and Whole-time Director(s) of the Company.
- 4.7. **“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.
- 4.8. **“KMP”** means Key Managerial Personnel of the Company i.e Managing Director (CEO), Company Secretary and Chief Financial Officer.
- 4.9. **“Nodal officer”** means an officer of the company nominated by the Chairman & Managing Director (CMD) to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the result thereof.
- 4.10. **“Personnel”** means any employee, director, officer, customer, contractor and/or third-party intermediary engaged to conduct business on behalf of the Company, such as agents and consultants.
- 4.11. **“Policy or This Policy”** means, “Whistleblower Policy.”
- 4.12. **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 4.13. **“Senior Management”** means personnel of the Company excluding Board of Directors comprising all members of Management one level below the Executive Directors, including the functional heads.

4.14. “Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

4.15. “Whistle Blower” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

4.16. “Whistle Officer” or “Whistle Committee” or “Committee” means an officer or Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosure received from the whistleblower and recommend disciplinary action. Currently, the Executive Director and Head P&A is nominated as Whistle Officer. The Committee, if appointed, should include Senior Level Officers of Personnel & Admin, Internal Audit and a representative of the Division/ Department where the alleged malpractice has occurred.

5. ELIGIBILITY

Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- Employees of the Company.
- Employees of other agencies deployed for the Company’s activities, whether working from any of the Company’s offices or any other location
- Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company.
- Customers of the Company.
- Any other person having an association with the Company

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

6. GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

1. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
2. Treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimisation
3. Ensure complete confidentiality
4. Not attempt to conceal evidence of the Protected Disclosure

5. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made

6. Provide an opportunity of being heard to the persons involved especially to the Subject.

7. **ANONYMOUS ALLEGATION**

Whistleblowers must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified.

Disclosures expressed anonymously will ordinarily NOT be investigated

8. **PROTECTION TO WHISTLEBLOWER**

1. If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:

a. The communication/ disclosure is made in good faith

b. He/She reasonably believes that information, and any allegations contained in it, are substantially true; and

c. He/She is not acting for personal gain

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

2. The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and disciplinary action taken against any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

9. ACCOUNTABILITIES – WHISTLEBLOWERS

- a) Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- b) Avoid anonymity when raising a concern
- c) Follow the procedures prescribed in this policy for making a Disclosure
- d) Co-operate with investigating authorities, maintaining full confidentiality
- e) The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- f) A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- g) Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed
- h) In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Committee, he/she can make a direct appeal to the CMD of the Company

10. ACCOUNTABILITIES – WHISTLE OFFICER AND WHISTLE COMMITTEE

- a) Conduct the enquiry in a fair, unbiased manner
- b) Ensure complete fact-finding
- c) Maintain strict confidentiality
- d) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- e) Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- f) Record Committee deliberations and document the final report

11. RIGHTS OF A SUBJECT

- a) Subjects have the right to be heard and the Whistle Officer or the Committee must give adequate time and reasonable opportunity for being heard on the matter.

- b) Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process.

12. MANAGEMENT ACTION ON FALSE DISCLOSURES

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure made by him and for legitimate reasons or cause under Company rules and policies.

13. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

13.1 Protected Disclosures should be reported in writing by the complainant as soon as possible after he becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in Regional language. Letters can be submitted by hand-delivery, courier or by post addressed to the Whistle Officer appointed by the Company.

13.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the whistle blower policy". If the complaint is not super scribed and closed as mentioned above it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the nodal officer will not issue any acknowledgement to the complainant and the complainants are advised neither to write the name / address of the complainant on the envelope nor to enter into any further correspondence with the nodal officer / audit committee. The Audit Committee assures that in case any further clarification is required it will get in touch with the complainant.

13.3 The complaint or disclosure must include the following:

1. Name of employee, and/or outside party or parties involved;
2. The sector of the Company where it happened (division, office);
3. When did it happen: a date or a period of time;
4. Type of concern (what happened);
 - a) Financial reporting;
 - b) Legal matter;
 - c) Management action;
 - d) Employee misconduct; and/or
 - e) Health & safety and environmental issues.
5. Submit proof or identify where proof can be found, if possible;
6. Who to contact for more information, if possible; and/or
7. Prior efforts to address the problem, if any

13.4 **Anonymous / Pseudonymous disclosure shall not be entertained by the Nodal Officer but dealt with in the manner as at present by the Unit Heads, who will keep CMD apprised in case of serious issues, who will decide whether to forward the complaint to the Nodal officer for placing before the Audit Committee.**

13.5 The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Nodal Officer/ CMD / Chairman of Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.

13.6 All Protected Disclosures should be addressed to the Nodal Officer of the Company. The contact details of the Nodal Officer is as under:-

Address of Nodal Officer	Mr. Sanjeev Kumar
Corporate Office	
Su-Kam Power Systems Limited,	
Plot-No- 54, Udyog Vihar,	
Phase – VI, Sector – 37,	
Gurgaon-122001	

13.6 Protected Disclosure against the Nodal Officer should be addressed to the CMD of the Company and the Protected Disclosure against the CMD, WTDs, KMP and other Senior Management Personnel should be addressed to the Chairman of the Audit Committee. The contact details of the CMD and the Chairman of the Audit Committee are as under:

Name and Address of CMD	Mr. Kunwer Sachdev
	F-37, Green Woods City,
	Gurgaon, Haryana,

Name and Address of Chairman of Audit Committee	Mr. Sanjaya Shrikrishna Kulkarni
	A/12, Technocrat Society, Twin Tower
	Lane, Prabhadevi, Mumbai, 400025,
	Maharashtra

13.7 On receipt of the protected disclosure the Nodal Officer/CMD / Chairman of the Audit Committee as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not before referring the matter to the Audit Committee of Su-Kam Power Systems Limited for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject.
- d) Details of actions taken by Nodal Officer/CMD for processing the complaint.
- e) Findings of the Audit Committee
- f) The recommendations of the Audit Committee / other action(s).

13.8 The Audit Committee if deems fit may call for further information or particulars from the complainant.

14. INVESTIGATION

14.1 All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any Officer of the Company or any other person for the purpose of investigation.

14.2 The decision to conduct an investigation taken by Audit Committee is by itself not an accusation and is to be treated as a neutral fact finding process.

14.3 Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

14.4 Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.

14.5 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

14.6 Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

14.7 Subject(s) have a right to be informed of the outcome of the investigations.

14.8 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit and as applicable.

15. DECISION AND REPORTING

15.1 Audit Committee along with its recommendations will report its findings to the CMD through the nodal officer within 30 days of receipt of report for further action as deemed fit. In case prima facie case exists against the subject, then the CMD shall forward the said report with its recommendation to the concerned disciplinary authority for the workplace for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.

15.2 In case the subject is a nodal officer of the Company, the protected disclosure shall be addressed to the CMD who, after examining the protected disclosure shall forward the matter to the Audit Committee. The Audit Committee after providing an

opportunity to the subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the CMD. After considering the report and recommendation as aforesaid, CMD shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Audit Committee, the subject and the complainant.

- 15.3 In case the Subject is the CMD or WTDs or any of the KMP or any other Senior Management Personnel of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the Protected Disclosure to other members of the Audit Committee. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure and will report its findings to the Board for further action as deemed fit.
- 15.4 If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 15.5 A complainant who makes false allegations of unethical & improper practices or about wrongful conduct of the subject to the nodal officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

16. **SECRECY / CONFIDENTIALITY**

- 16.1 The complainant, Nodal officer, Members of Audit committee, CMD, the Subject and everybody involved in the process shall:

- 16.1.1. Maintain confidentiality of all matters under this Policy

- 16.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

- 16.1.3. Not keep the papers unattended anywhere at any time

- 16.1.4. Keep the electronic mails / files under password.

17. **ACCESS TO REPORTS AND DOCUMENTS**

All reports and records associated with Disclosures" are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Whistle Officer. Disclosures and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

18. **PROTECTION**

- 18.1 No unfair treatment will be meted out to a whistle blower by virtue of his/ her having reported a Protected Disclosure under this policy. Complete protection will be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal of

promotion 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.

- 18.2 A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 18.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per the extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 18.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 18.5 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. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

19. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

20. COMMUNICATION

A whistle blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the Company.

21. RETENTION OF DOCUMENTS

All Protected disclosures documented along with the results of investigation relating thereto, shall be retained by the Nodal Officer for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

22. ADMINISTRATION AND REVIEW OF THE POLICY.

CMD shall be responsible for the administration, interpretation, application and review of this policy. CMD also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

23. AMENDMENT

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 Employee and Director unless the same is notified to them in writing.