

## **SHRIRAM PISTONS: DELHI**

### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Companies Act, 2013 and Listing Agreement mandates every Listed Company to devise an effective whistle blower mechanism enabling directors, individual employees & their representative bodies and all stakeholders to freely communicate their concerns about illegal or unethical practices, fraud, violation of law, inappropriate behaviour /conduct, violation of Code of Conduct etc. within an organisation to build and strengthen a culture of transparency and trust.

#### **A. APPLICABILITY**

This policy applies to all directors & employees of SPRL (including outsourced, temporary and on contract personnel) and all stakeholders of the Company, including Vendors (hereinafter referred to as 'Whistle Blower/Complainant').

This policy encourages all the Whistle Blowers/Complainant to report any kind of misuse of company's properties, mismanagement or wrongful conduct prevailing/executed in the company, which the whistle blower, in good faith, believes and he/she evidences any of the following:

1. Violation of any law or regulations, policies including but not limited to corruption, bribery, theft, fraud, coercion and wilful omission;
2. Conflict of interest;
3. Procurement frauds;
4. Mismanagement, Gross wastage or misappropriation of company funds/assets;
5. Manipulation of Company data/records;
6. Misappropriation of cash/company assets; Unofficial use of Company's property/human assets;
7. Leaking of confidential or proprietary information;
8. Activities violating Company policies (Including Code of Conduct);
9. A substantial and specific danger to public health and safety;
10. An abuse of authority or fraud;
11. An act of discrimination

The above list is illustrative and should not be considered as exhaustive.

This Policy is an extension of the Code of Conduct. The Whistle Blower/Complainant's role is that of reporting party with reliable information. They are not required to act as investigators nor would determine the appropriate or remedial action.

They should also neither act nor participate in any investigation activities unless warranted.

**B. CONSTITUTION AND SCOPE OF WORK OF VIGILANCE AND INVESTIGATION COMMITTEE**

1. The Audit Committee shall formulate a Vigilance and Investigation Committee ('VIC') comprising of Management Representatives for the following:
  - a) To conduct the enquiry in fair and unbiased manner;
  - b) To ensure complete fact finding;
  - c) To appoint investigating officer(s) / agencies (internal or external) if required;
  - d) To maintain strict confidentiality;
  - e) To conclude the investigation;
  - f) To recommend an appropriate course of action to the Managing Director
  - g) Such other areas & matters that the Committee may decide upon for the furtherance of its objective;
2. It shall be the responsibility of O & P Department to create necessary awareness among all employees in all positions regarding the Whistle Blower Mechanism.

**C. PROCEDURE**

1. Any whistle blower/complainant can send his/her observations as under:-
  - a) In respect of all matters related to Executive Director group, Key Management Personnel (CFO, Company Secretary and Managing Director), and Directors - to the Chairman of the Audit Committee of the company, and

- b) For matters related to all other personnel - to one or more members of the VIC
2. The complaints should preferably be in writing and complete with related evidences, using the standard template as per Annexure-1. The complaint can also be sent by an e-mail.

In case of urgent matters, the whistle blower/complainant may communicate verbally (through phone or in person) but he/she must put the case in writing at the first available opportunity.

In order to allow proper assessment of the nature and extent of the matter, the reporting should be factual and not speculative and should, to the extent possible, contain the following:

- a) The alleged event, matter or issue that is the subject of the Complaint;
  - b) The name(s) of the person(s) involved;
  - c) If the complaint involves a specific event or events, the approximate time and location of each event; and
  - d) Any additional information, documentation or other evidence available to support the complaint.
3. The limitation period for reporting any misconduct shall be one year from the date of such event.
4. The following types of complaints would ordinarily not be entertained:
- a) Illegible, if handwritten;
  - b) Vague;
  - c) Trivial or frivolous in nature;
  - d) The matters which are pending before a Court of Law, State or National Human Rights Commission or any other Commission, Tribunal or any other judiciary or sub judiciary body;
  - e) Allegation, which is not against the interests of SPRL
  - f) Issue raised relates to civil dispute, such as property rights, contractual obligations, etc;
  - g) Issue raised relates to service matters.
5. For items covered under C (1)(b) above, the VIC shall ascertain the authenticity, correctness, credibility of complaint and thereafter

investigate all matters and recommend an appropriate course of action to the Managing Director as follows:-

- a) Closing the complaint, if wrongful conduct remains largely unsubstantiated.

If the case is false and malicious in intent, the whistle blower / complainant would be held guilty of misconduct and appropriate action shall be taken. However, the Committee shall distinguish between mistaken reporting and malicious intent of the whistle blower / complainant.

- b) If charges are substantiated, or the complaint is found correct on investigation, following suitable actions may be recommended:

- Counselling and a Warning letter;
- Withholding of promotion / increment/ annual bonus/incentive;
- Termination;
- Legal suit.

The above are only suggestive and the Managing Director shall decide on the actions to be taken on a case to case basis depending on the gravity of the offence and in line with on-going operating delegations in the company.

If, however, the aggrieved party is not satisfied with the investigation, he/she may appeal to the Chairman of Audit Committee of the Company.

6. For items covered under item C (1)(a) above, the Chairman of the Audit Committee shall decide the investigating team, which can be internal and/or external.

Based on the investigation, the Chairman of Audit Committee shall forward the investigation report alongwith conclusions to the Managing Director for taking appropriate action as regards the Executive Director group, CFO, Company Secretary and the Wholetime Directors.

In case the matter relates to the Managing Director or Non Executive Directors, the investigation report alongwith conclusions shall be forwarded to the Chairman of the Company for taking appropriate action.

7. The person against whom a complaint has been made will be given an opportunity to explain his view point before completing the investigation.

8. If the complaint is against any member of VIC, that person shall be recused from the investigation proceedings.
9. The VIC shall complete the investigation within 6 weeks in respect of the complaint. In case the VIC require longer time based on complexity of a case, they can seek approval from the Managing Director for extension of the time period.
10. VIC shall submit quarterly report in the prescribed format (as given in Annex. 2) to the Audit Committee on the issues reported to it from time to time alongwith a final decision as approved by Managing Director for its information.
11. Lessons identified/learnt shall be used for strengthening the policies and procedures.

D. **OTHERS**

1. **DISQUALIFICATIONS**

Whistle Blowers/complainant, who make 3 Disclosures, which have been subsequently found to be mala fide, frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Disclosures under this Policy.

2. **CONFIDENTIALITY**

Disclosure of complaints may be made on a confidential basis. Such disclosures will be kept confidential to the extent possible, with the need to conduct an adequate investigation and legal stipulation.

3. **PROTECTION AGAINST VICTIMIZATION**

No adverse action shall be taken against any whistle blower/complainant who makes any good-faith disclosure of suspect or wrongful conduct.

4. **MODIFICATION**

The Board of Directors only can modify this Policy at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with any rules or regulations and / or accommodate organizational changes within the Company.

**TEMPLATE FOR REPORTING VIOLATION**

Date: \_\_\_\_\_

To: Vigilance and Investigation Committee/ Chairman of the Audit Committee

Shriram Pistons and Rings Ltd.  
3<sup>rd</sup> Floor, Himalaya House,  
23, K.G. Marg,  
**New Delhi-110001**

A. Violation details:

1. Which aspects of the whistle blower policy have been violated?
2. Who is /are the individual/ people/ functions involved?

B. Critical Incidents and Factual Data:

1. Please describe what constitutes the violation i.e. incident details.
2. Please attach supporting details/ data that you have, to facilitate investigation.
3. List additional/ supporting information/ data that the Committee can seek from you while investigating.

Signature: \_\_\_\_\_

Name of the Person reporting & designation: \_\_\_\_\_

Contact Information (Phone/E-mail/ Address): \_\_\_\_\_

