

## **SHRIRAM PISTONS: DELHI**

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

Companies Act, 2013, Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations 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 and employees of SPRL (including outsourced, temporary and on contract personnel), stakeholders of the Company, including Vendors (hereinafter referred to as 'Whistle Blower').

This policy encourages all the Whistle Blowers to report any kind of misuse of company's properties, mismanagement or wrongful conduct prevailing/executed in the company, which the whistleblower, in good faith, believes and 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. Misappropriating cash/company assets; Unofficial use of Company's property/human assets
7. Leaking confidential or proprietary information
8. Leaking Unpublished Price Sensitive Information (UPSI) defined under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time

9. Activities violating Company policies (Including Code of Conduct)
10. A substantial and specific danger to public health and safety
11. An abuse of authority or fraud
12. An act of discrimination

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

**B. ROLE OF A WHISTLE BLOWER/ COMPLAINANT**

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.

**C. CONSTITUTION AND SCOPE OF WORK**

1. The Audit Committee shall formulate a Vigilance and Investigation Committee ('VIC') comprising of Management Representatives for the following:
  - To conduct the enquiry in fair and unbiased manner;
  - To ensure complete fact finding;
  - To appoint investigating officer(s) / agencies (internal or external) if required;
  - To maintain strict confidentiality;
  - To decide on the outcome of the investigation;
  - To recommend an appropriate course of action and appeal, if any;
  - Such other areas & matter that the Committee may decide upon for the furtherance of its objective;

2. O & P Department shall implement adequate reporting mechanism for easy and timely reporting.
3. It shall be the responsibility of O & P Department to create the necessary awareness among all employees in all positions.

**D. PROCEDURE**

1. Any whistleblower/complainant, through written communication, complete with related evidence, can send his/her observation of actual fact(s) to one or more members of the VIC. The whistleblower/complainant may send the complaint in writing, by an email using the standard template (Refer **Annexure – 1** The “Template for reporting violation”).
2. Any whistle blower/ complainant may also send his observations, in exceptional cases, to Chairman of the Audit Committee.
3. If the complaint is against any member of VIC, that person shall be recused from the investigation proceedings.
4. 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.
5. The reporting should be factual and not speculative and should, to the extent possible, contain the following, in order to allow proper assessment of the nature and extent of the matter:
  - The alleged event, matter or issue that is the subject of the Complaint;
  - The name(s) of the person(s) involved;
  - If the complaint involves a specific event or events, the approximate time and location of each event; and
  - Any additional information, documentation or other evidence available to support the complaint.

The prescribed format as per **Annexure - 1** “Template for Reporting Violation” shall be used for reporting.

6. The limitation period for reporting any misconduct as given in above shall be one year from the date of such event.

7. The whistle blower/complainant should disclose his/her identity.
8. Anonymous reporting shall not be entertained as it is usually impractical to investigate a complaint which has been made anonymously. However the whistle blower / complainant may seek the advice of the Committee and based on the advice sought, formally record the complaint as per Annexure 1 of this policy.
9. The following types of complaints would ordinarily not be entertained:
  - Illegible, if handwritten;
  - Vague, anonymous or pseudonymous;
  - Trivial or frivolous in nature;
  - 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 subjudiciary body;
  - Allegation, which is not against the interests of SPRL employee as stated above;
    - Issue raised relates to civil dispute, such as property rights, contractual obligations, etc;
  - Issue raised relates to service matters.
10. The VIC shall investigate and recommend action on unethical behaviours, malpractices, wrongful conduct, fraud, violation of the company's policies & values or violation of law.
11. The member/s of VIC Committee shall ascertain the authenticity, correctness, credibility of complaint & source and recommend necessary corrective measures/disposal as follows:-
  - 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 associate.

- If charges are substantiated, or the complaint is found correct on investigation, following suitable actions may be suggested:
- Counselling & a Warning letter;
- Withholding of promotion / increments/ annual bonus;
- Wage freeze, suspension, recovery, clawback;
- Termination;
- Legal suit;

The above are only suggestive and the Committee may decide on the actions to be taken on a case to case basis depending on the gravity of the offence.

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

Lessons identified/learnt shall be used for strengthening the policies and procedures.

12. The VIC shall take appropriate action immediately within a stipulated timeframe of six weeks.

13. The VIC shall submit periodic report in prescribed Format **(as given in Annexure-2)** to the Audit Committee on the issues reported to it, from time to time for its review & perusal.

The complaints related to leak/ suspected leak of UPSI and inquiries & results of incidence of such leak/ suspected leak of UPSI shall be informed promptly to SEBI.

#### **E. DISQUALIFICATIONS**

Whistle Blowers, 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.

#### **F. CONFIDENTIALITY**

Disclosure of wrongful conduct 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.

**G. PROTECTION AGAINST VICTIMIZATION**

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

**H. MODIFICATION**

The Board of Directors can modify this Policy unilaterally 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**

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

Violation details:

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

Critical Incidents and Factual Data:

- a. Please describe what constitutes the violation i.e. incident details.
- b. List supporting information/ data that you would have, that the Committee can seek from you while investigating.

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

Location: \_\_\_\_\_

Name of the Person reporting (optional): \_\_\_\_\_

Contact Information (including email optional): \_\_\_\_\_

Note: Reporting done by individuals disclosing their names will be attended to first. Anonymous complaints are discouraged and would be considered only in extreme cases or on prima facie exploration to ascertain facts.

