KRANTI INDUSTRIES LIMITED

WHISTLE BLOWER– CUM - VIGIL MECHANISM POLICY

VERSIONS OF POLICY

Sr. No.	Description of Change	Approved by	Approval Date	Effective Date
1	Original Policy	Board of Directors	December 21, 2015	December 21, 2015
2	Updated & Reviewed	Audit Committee & Board of Directors	February 12, 2025	February 12, 2025

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(Effective from February 12, 2025)

1. Preface:

a) "Kranti Industries Limited" (hereinafter referred to as "**the Company**") being Listed Company requires to establish a Vigil Mechanism for directors and employees to report the genuine concerns as per the provisions of the section 177(9) of the Companies Act, 2013 read with rules framed there under **("Companies Act" or "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 **("SEBI LODR Regulations")** in such manner as may be prescribed.

b) In terms of Regulation 4(2)(d) of SEBI LODR Regulations, it is mandatory requirement for all listed companies to devise an effective Vigil Mechanism/ Whistle Blower Policy enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

c) The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Therefore, the Company is committed to develop a culture where it is safe for all the Directors and Employees to raise concerns about any poor or unacceptable practice and any event of misconduct. In this regard, the Company has adopted the Code of Conduct ("**the Code**").

d) The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects Directors/ Employees wishing to raise a concern about serious irregularities within the Company.

e) The Policy neither releases Directors/Employees from their duty of confidentiality in the course of their work, nor is it a route for taking grievance about a personal situation.

2. Policy:

2.1 This Policy is for the Directors and Employees as defined hereinafter sets out the procedure to be followed when making a disclosure.

2.2 The Policy has been drawn up with a view to provide mechanism for the Directors and employees and other Stakeholders of the Company to

approach the Audit Committee of the Company for raising a concern. The areas of concern covered by this Policy are summarized in this Policy.

3. Definitions:

The definitions of some of the key terms used in this Policy are given below:

3.1 "**Audit Committee**" means the Audit Committee of the Board as may be constituted / reconstituted by the Board of Directors of the Company in accordance with the Section 177 of the Companies Act, 2013 and related rules made thereunder read with the related provisions of the Listing Regulations of Listing Agreement entered into with the Bombay Stock Exchange.

3.2 **"Code"** means the "Code of Conduct".

3.3 "**Competent Authority**" will be a person authorised, appointed, consulted or approached by the Board for the purpose of receiving all complaints under this Policy and ensuring appropriate action. The Managing Director will be the competent authority under this Policy. In case of conflict of interest (MD being the subject person), the 'Competent Authority' means 'Chairperson/Chairman of the Audit Committee'.

3.4 "**Director**" means a Director on the Board of Directors of the Company.

3.5 "**Disciplinary Action**" means any action that can be taken on the completion of / during the investigation proceedings including but not limited to a warning, impositions of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

3.6 "**Employee**" means every employee of the Company working on full time basis, including the Directors in the employment of the Company.

3.7 "**Protected Disclosure**" means a concern raised by a written communication made in good faith that disclosed or demonstrates information that may evidence unethical or improper activity.

3.8 "**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.

3.9 "**Whistle Blower**" is an employee or group of employees who makes a Protected Disclosure under this Policy and also referred in this policy as Complainant.

3.10 "**Whistle Officer"** or **"Committee**" means an officer or Committee of the persons who is nominated / appointed to conduct detailed investigation.

4. The Guiding Principles:

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

a) ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;

b) treat victimization as a serious matter including initiating disciplinary action on such person/(s);

c) ensure complete confidentiality.

d) not attempt to conceal evidence of the Protected Disclosure;

e) take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;

f) provide an opportunity of being heard to the persons involved especially to the Subject;

5. Coverage of Policy:

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
6. Criminal offence
7. Pilferage of confidential/propriety information

8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of employee Code of Conduct or Rules
11. Any other unethical, biased, favoured, imprudent event

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

6. Disqualifications:

6.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

6.2 Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.

6.3 Bringing to light personal matters regarding another person, which are in no way connected to the Company.

6.4 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide, frivolous, vexatious*, *malicious or reported otherwise than in good faith,* shall be liable to be prosecuted under Company's Code of Conduct.

7. Reporting Mechanism:

7.1 All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for the purpose of investigation.

7.2 In respect of Protected Disclosures concerning the Top Management of the Company, then such matter shall be addressed to the Chairman of the Audit Committee of the Company and those concerning with the other employees of the Company shall be addressed to the Managing Director of the Company.

7.3 Protected Disclosure should be preferably addressed/reported to the Competent Authority, as soon as possible but not later than 30 consecutive days after becoming aware of the same.

7.4 To make more effective and controlled mechanism, employees can lodge a Protected Disclosure in any one of the following ways:

By sending an email to sachinvora@krantiindustries.com with the subject "Protected Disclosure under the Whistle Blower Policy".

By sending letter in a closed and secured envelop and super scribed as "Protected Disclosure under the Whistle Blower Policy" to Chairman of Audit Committee or Managing Director of the Company at "Gat No. 267/B/1, At Post Pirangut, Tal. Mulshi, Pune, Maharashtra, India, 412115".

7.5 The Protected Disclosure/Complaint should be in typed or hand written in English or Marathi or Hindi and should provide a clear understanding of the improper activity involved or issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.

7.6 The Protected Disclosure should be forwarded under a covering letter attached to a letter bearing the identity of the Whistle Blower/complainant i.e. his/her Name, Employee Number and Location, and should be inserted in an envelope which should be closed/secured/sealed. The envelop thus secured/sealed should be addressed to the Competent Authority and should be mentioned as "Protected Disclosure". (If the envelope is not closed/sealed/secured, it will not be possible to provide protection to the whistle blower as specified under this policy).

7.7 To the extent possible, the complaint or disclosure must include the following:

1. The name of the employee(s), and/or outside party or parties involved;
2. The sector of the Company where it happened (Location, Department, office);
3. When did it happen: a date or a period/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.

7.8 If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Competent Authority as defined under this Policy, the same should be immediately forwarded to the respective Competent Authority or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.

7.9 Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures WILL NOT BE investigated, as it would not be possible to interview the Whistle Blowers.

7.10 If initial enquiries by the Competent Authority indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision is documented.

7.11 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Competent Authority alone, or by a Whistle Officer/Committee nominated by the Competent Authority for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.

7.12 The Competent Authority/Whistle Officer/Committee shall:

Make a detailed written record of the Protected Disclosure. The record will include:

a. Brief Facts of the matter;

b. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;

c. Whether any Protected Disclosure was raised previously against the same Subject;

d. The financial/ otherwise loss which has been incurred / would have been incurred by the Company.

e. Findings of Competent Authority/Whistle Officer/Committee;

f. The recommendations of the Competent Authority / Whistle Officer / Committee on disciplinary / other action/(s).

8. Investigation:

8.1 The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact-finding process. The identity of a Subject will be kept confidential to the extent possible give the legitimate needs of law and the investigation.

8.2 Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

8.3 Subjects shall have a duty to co-operate with the Competent Authority during investigation process to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

8.4 Subject(s) have a right to consult with a person or persons of their choice, other than the Whistle Officer/Committee and/or the Whistle Blower. Subjects have a responsibility not to interfere with the investigation process. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

8.5 Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation. He has a right to be informed of the outcome of the investigations. If allegations are not sustained, he should be consulted as to whether public disclosure of the investigation results would be in the best interest of him and the Company.

8.6 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Competent Authority/ Whistle Officer / Chairman of the Audit Committee deems fit.

8.7 The Whistle Officer/Committee shall finalise and submit the report to the Competent Authority within such time frame as duly communicated by Competent Authority considering the seriousness of the matter.

8.8 On submission of report, the Whistle Officer /Committee shall discuss the matter with Competent Authority who shall either:

i. In case the Protected Disclosure is proved, accept the findings of the Whistle Officer /Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter; or

ii. In case the Protected Disclosure is not proved, extinguish the matter;

OR

Depending upon the seriousness of the matter, Competent Authority may refer the matter to the Audit Committee of Directors with proposed disciplinary action/counter measures. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairman of the Audit Committee

8.9 All information disclosed during the course of the investigation will remain confidential, except as necessary or appropriate to conduct the investigation and take any remedial action, in accordance with any applicable laws and regulations. The Company reserves the right to refer any concerns or complaints regarding Protected Disclosure to appropriate external regulatory authorities.

9. Protection:

9.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.

9.2 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.

9.3 The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other Employee/person assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9.4 A Whistleblower 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.

10. Secrecy/Confidentiality:

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

a. maintain complete confidentiality/secrecy of the matter;
b. not discuss the matter in any formal/social gatherings/meetings;
c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
d. not keep the papers unattended anywhere at any time;
e. keep the electronic mails and files under password.
f. If anyone found not complying with the above, he/she shall be held liable for such disciplinary action as is considered fit.

11. Retention of Documents:

All Protected Disclosures along with the evidences gathered during investigation and results and other investigation documents relating thereto, shall be retained by the Company for a minimum period of five (5) years or such other period as specified by any other law in force, whichever is more, from the date of receipt of the complaint. Confidentiality will be maintained to the extent reasonably practicable depending on the requirements and nature of the investigation, as indicated above.

12. Reporting:

A report on Yearly basis including number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

13. 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. Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

14. Communication of Policy:

The Whistle Blower Policy shall be displayed on the website of the Company www.krantiindustries.com.