



KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

Enriching Lives

WHISTLE BLOWER POLICY

1. Preface

The Company has adopted the Code of Conduct ("The Code") with the objectives of enhancing the standards of ethical conduct for the highest degree of transparency, integrity, accountability and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the company. The employees can play an important role in pointing out such violations of the code.

Clause 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), *inter - alia*, provides for a requirement for disseminating on its website details of establishment of a vigil mechanism or a '**Whistle Blower Policy**' for its employees to report to the management, instances of any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

In terms of the provisions under Sections 177(9) and (10) of the Companies Act, 2013 read with relevant Rules thereunder, the Company shall establish a vigil mechanism for its directors and employees to report genuine concerns in such manner as may be provided. It also mandates for the adequate safe guard against the victimization.

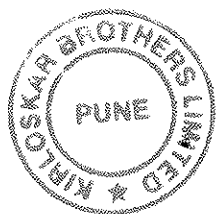
As per the requirement of Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which would be effective from April 1, 2019, the Company is required to formulate a written policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI) or suspected list of UPSI and make employees aware of such policy to enable employees to report instances of leak of UPSI.

The Audit and Finance Committee of the Board of Directors of the Company shall oversee this mechanism.

Accordingly, this Whistle Blower Policy ("the Policy") has been formulated as a Vigil Mechanism' with a view:

- To provide a mechanism for employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit and Finance Committee of the Board of Directors of the Company; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and

To safeguard the interest of such Employees / persons against victimization, who notice and report any unethical or improper practices.



Registered Office: Udyog Bhavan, Tilak Road, Pune - 411 002, INDIA. Tel: +91 (20) 2444 0770
Corporate Office: "Yamuna", S. No. 98/3 to 7, Baner, Pune - 411 045, INDIA. Tel: +91 (20) 2721 4444
Email: marketing@kbl.co.in Website: www.kirloskarpumps.com
CIN No.: L29113PN1920PLC000670



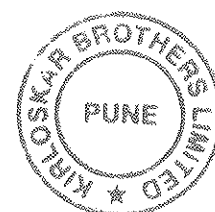
Enriching Lives

- To appropriately communicate the existence of such mechanism, within the organization and to outsiders.
- To enable the employees of the Company to report instances of leak or suspected leak of unpublished price sensitive information.

2. Definitions

The 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 LODR, Companies Act, 2013 and Code.

- a) "Alleged Person" means a person purportedly involved in the unethical practice and against whom or in relation to whom a Reported Disclosure has been made or evidence gathered during the course of an investigation.
- b) "Audit and Finance Committee" means the Audit and Finance Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read LODR.
- c) "Employee" means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- d) "Investigators" mean committee of officials of the company viz. Head Corporate - Finance, Head – CHRM&C, Head - Internal Audit and Head - Corporate Legal and Head Corporate Secretarial and / or any other persons authorised, appointed, consulted or approached by the committee of officials to carry out investigation in the Reported Disclosure.
- e) "Intermediaries" as defined under Policy for determination of "Legitimate Purposes" for as a part of fair disclosure and conduct under Insider Trading Regulations
- f) "Person dealing with the Company" means vendors, customers, contractual service providers, contractors, agency staff or any other outside parties / non-employees dealing with the Company, whether directly or indirectly.
- g) "Reported Disclosure" means any communication made in good faith that demonstrates information that may evidence any instance of unethical or improper behavior/practice (not necessarily a violation of Law), actual or suspected fraud or violation of the Company's code of conduct ("the unethical practice").





Enriching Lives

- h) "Unpublished Price Sensitive Information" as defined under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.
- i) "**Whistle Blower**" means an Employee and / or any other person dealing with the Company making a Reported Disclosure under this Policy.

3. Scope

This Policy is applicable to all the employees of the Company and other persons dealing with the Company. All Employees of the Company and other persons dealing with the Company are eligible to make Reported Disclosures under the Policy. The Reported Disclosures may be in relation to matters concerning the Company and leak or suspected leak of UPSI.

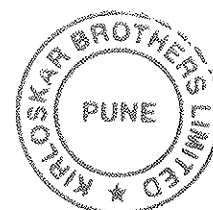
4. Policy

The Company is committed to openness, transparency and accountability in all its affairs for everybody in the society and to provide a workplace conducive to open discussion of its business practices to enable the Employees and the Company to achieve highest standards of Governance. The Policy reinforces the Company's approach by providing a forum to the Employees and other persons dealing with the Company to voice their concerns about suspected unethical or improper practice.

This policy is also intended for the employees to report instances of leak or suspected leak of unpublished price sensitive information.

5. Disqualifications

- a) 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
- b) 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 reported disclosures made with a *ma/a fide* intention.
- c) Whistle Blowers, who make three or more Reported Disclosures, which have been subsequently found to be *mala fide*, frivolous, vexatious, malicious, or reported otherwise than in good faith, will be disqualified from making further Reported Disclosures under this Policy. In respect of such Whistle Blowers, the Audit and Finance Committee would reserve its right to take/recommend appropriate disciplinary action.

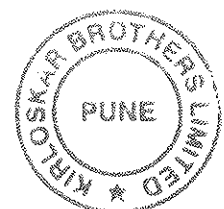




Enriching Lives

6. Procedure

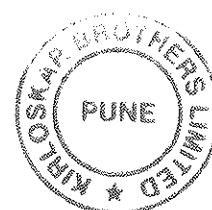
- a) All Reported Disclosures should be addressed to the Chairman of the Audit and Finance Committee of the Company with a copy to the Head of the Secretarial Department. The investigation in the same shall be carried out by the committee of officials of the company viz. Head - Finance, Head - CHRM&C, Head - Internal Audit and Head - Corp. Legal and Head - Secretarial. Appropriate care would be taken to keep the identity of the Whistle Blower, confidential.
- b) Reported Disclosures by the Whistle Blower should preferably be made in writing so as to ensure a clear understanding of the issues raised and should not be speculative, in any case. The Reported Disclosure should be forwarded under a covering letter with specific and sufficient details to permit thorough investigation. The Reported Disclosure shall include:
 - The name and address of the Whistle Blower.
 - The nature and facts of the Reported Disclosure;
 - The impact / effect either monetary or otherwise on the Company, if possible.
- c) The investigation in the Reported Disclosure, without the name and address of the Whistle Blower, would be at the discretion of the Audit and Finance Committee, in consultation with the Chairman and Managing Director of the Company. In exercising this discretion, the Audit and Finance Committee shall consider factors viz. Gravity of the alleged unethical practice and its consequences.
- d) All Reported Disclosures made under this Policy shall be thoroughly investigated by the committee of officials of the Company, either by itself or by authorizing one or more investigators / persons, as committee may deem fit and proper.
- e) The procedure to be followed in any investigation shall be decided solely by the Audit and Finance Committee / Committee of officials. The process of investigation shall be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- f) The persons alleged to be involved in the unethical practice, shall co-operate with any of the Investigators during investigation and such persons shall have a reasonable opportunity of being heard and have a right to consult, at his own cost, with a person or persons of their choice, other than the Investigators. However, such person shall not interfere in the process of investigation.





Enriching Lives

- g) Any evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated, by any employee / person.
- h) The committee of officials / investigators shall complete the investigation within 45 (forty-five) days or within such extended period as may be granted by the Audit and Finance committee, of the receipt of the Reported Disclosure and submit the report to the Chairman of the Audit and Finance Committee. Decision on the report would be taken by the Committee within 30 (thirty) days of the date of the report. The Whistle Blower may appear directly before the Chairman of the Audit and Finance Committee in exceptional circumstances. The decision would be communicated to the Whistle Blower and the alleged persons by Head of Secretarial and Legal Department.
- i) In case the investigation as specified in the clause hereinabove is not completed within 45 (forty-five) days or within such extended period as may be granted by the Audit and Finance committee or if the Whistle Blower is not satisfied with the decision communicated, the Whistle Blower shall be entitled to submit a request for personal re-appearance and re-hearing before the Committee.
- j) On the completion of investigation, it would be the responsibility of the Audit and Finance Committee to recommend suitable action to the management and also advise the concerned Department Head to take suitable corrective measures to avoid recurrence of such Reported Disclosure and take suitable disciplinary action against the alleged persons. However, any disciplinary or corrective action initiated against the alleged persons as a result of the findings of an investigation pursuant to this Policy, shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- k) The Audit and Finance Committee shall decide on whether the outcome of an investigation shall be made public, keeping in view the best interest of the Company.
- l) The head of the Secretarial Department shall assist in all respects to the Chairman of the Audit and Finance Committee and committee of officials / any investigators, for smooth completion of the investigation process under the policy.





Enriching Lives

- m) If an inquiry has been initiated by the Company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry conducted by listed company. The same procedure of investigation shall be followed in this regard.

7. Protection

- a) No unfair treatment shall be given to a Whistle Blower by virtue of his/her having made a Reported 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 Blowers and no action would be taken to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Reported Disclosures. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the company would arrange for the Whistle Blower to receive advice about the procedure, etc.
- b) The identity of 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 Chairman of the Audit and Finance Committee (e.g. during investigations carried out by Investigators).
- c) Any other Employee / person assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

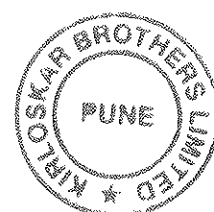
8. Reporting

The Head of the Secretarial Department shall submit a report to the Audit and Finance Committee on a quarterly basis, about all Reported Disclosures referred to the Committee, since the last report together with the results of investigations, if any, actions recommended and implementation.

The report shall be reviewed and recorded by the Audit and Finance Committee.

9. Retention of documents

All Reported 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 seven years.





Enriching Lives

10. Communication of policy

The Policy shall be communicated by the Human Resources Department to all the Employees of the Company and other persons dealing with the Company, through circular/display on the Notice Board / display on the inter-net of the Company.

11. 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 Employees and other persons dealing with the Company unless the same is notified in writing.

For **Kirloskar Brothers Limited**

A handwritten signature in black ink, appearing to read 'Sanjay C. Kirloskar'.

Sanjay C. Kirloskar
Chairman and Managing Director



Date: *March 22, 2019*