

# **CAVINKARE PRIVATE LIMITED**

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

(Pursuant to Section 177 of the Companies Act, 2013)

## **1. PREFACE:**

CavinKare Private Limited (the Company) has the history of sharing ‘Values and Beliefs System’, as widely used and understood by its employees and directors (hereinafter referred to as Employees) which states that “Successful organizations are founded on strong value systems. CavinKare has the following 5 Values (viz. Ethical Behaviors, Excellence, Innovation, Ownership and Stakeholders’ Delight) based on which all interactions within and outside the organization takes place”. These guiding principles have been followed in adopting this “Vigil Mechanism / Whistleblower Policy” (hereinafter referred as the “Code”), which provides an avenue for all the Employees to promptly raise their genuine concerns or grievances about un-ethical behavior, fraudulent transactions and perceived / actual deviations from the statutory and regulatory compliance norms. Considering the ability and importance of the Employees in pointing out such violations & deviations, this Code provides for necessary mechanism for requisite access to facilitate delivery of their concerns and safeguards for protection of Employees from reprisals or victimization from whistle blowing undertaken in good faith.

## **2. OBJECTIVE:**

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 genuine concerns about actual or suspected misconduct, unethical behavior, fraud, mis-representations or violation of statutory or contractual obligations, to come forward and express without fear of punishment or unfair treatment. This Code makes available a channel for all the Employees with direct access to Ethic Officer (nominated by the Board of Directors) to report their concerns in writing.

## **3. SCOPE :**

This Code covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of regulatory, statutory or contractual obligations or rules, manipulation or

misappropriation of monies, harassment and other matters or activity on account of which the interest of the Company is or would be affected. This Code provides a mechanism for Whistle Blowers to report to the Management / Ethics Officer, on matters related to :-

- a. Abuse of authority;
- b. Mental / physical harassment of employees (with / without using authority);
- c. Breach of contract or statutory - regulatory compliance obligations;
- d. Negligence causing substantial / specific danger to health of employees in particular, or public / environment in general;
- e. Mis-use or manipulation of Company's confidential data / sensitive information, without proper approval;
- f. Intentional Financial irregularities, including fraud or suspected fraud;
- g. Misuse, wastage, misappropriation of company funds / assets including unauthorized personal use;
- h. Theft of confidential / propriety information including intellectual properties;
- i. Breach of Company Policy / By-laws or failure to implement or comply with any approved Company Policy; and
- j. Any other matters as may be decided by the Board of Directors of CavinKare in the best interest of the Company

#### 4. **DEFINITIONS:**

**4.1 "Employee"** means every employee of the Company including the Directors (whether in the employment of the Company or not).

**4.2 "Good Faith"** means and refers to the presence of 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 of or factual basis for the communication or where the employee knew or reasonably should have known that the communication about the alleged wrongful conduct is malicious, false or frivolous.

**4.3 "Subject"** means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an

investigation.

**4.4 “Ethics Officer” or “Vigilance Officer”** means an officer appointed to receive Protected Disclosures by the Board of Directors of the Company from Whistle Blowers, maintaining records thereof, placing the same before the Board for its disposal and informing the Whistle Blower the result thereof.

**4.5 “Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical, illegal or improper activity. Protected Disclosures should be factual and not speculative in nature.

**4.6 “Whistle Blower”** means an Employee (i.e. the complainant) making a Protective Disclosure under this Code.

## **5. RECEIPT AND DISPOSABLE OF PROTECTED DISLOSURES:**

5.1. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower 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.

5.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected Disclosure under the “Vigil Mechanism/Whistle Blower policy”. Alternatively, the same can also be sent through email with the subject “Protected Disclosure under the “Vigil Mechanism/Whistle Blower policy”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Ethics Officer 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 Ethics Officer will not issue any acknowledgement to the complainant and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Vigilance / Ethics Officer. The Vigilance / Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

5.3. Anonymous/Pseudonymous disclosure shall not be entertained by the Vigilance / Ethics Officer. However whistleblowers are not required to provide any proof, they must have sufficient cause for concern. If any proof available for the alleged wrong doing, whistleblowers can provide the same to help the investigation.

5.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance / Ethics Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

5.5. All Protected Disclosures should be addressed to the Vigilance / Ethics Officer The contact details of the Vigilance / Ethics Officer is as under:-

Name and Address – Mr. R.Gopalakrishnan,  
Director,  
12, Poonthamalle Road, Chennai- 600 032  
Email- whistleblower@CavinKare.com

5.6. Protected Disclosure against the Vigilance / Ethics Officer should be addressed to the Chairman of the Company. The contact details of the Chairman of the Company:-

Mr. CK Ranganathan,  
Chairman and Managing Director  
12, Poonthamalle Road, Chennai- 600 032

5.7. On receipt of the Protected Disclosure the Vigilance / Ethics Officer or The Chairman, 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. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Board of Directors 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 Vigilance / Ethics Officer / Chairman for processing the complaint;
- e) Findings of the Ethics Officer ; and
- f) The recommendations of the Ethics Officer / other action(s).

5.8. The Board of Directors, if deems fit, may call for further information or particulars from the complainant.

## **6. INVESTIGATION:**

- 6.1. All protected disclosures under this policy will be recorded and thoroughly investigated. Ethic Officer may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 6.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as an act finding process.
- 6.3. 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.
- 6.4. Subject(s) shall have a duty to co-operate with the Chairman or Vigilance / Ethics Officer or any of the Officers appointed by it in this regard.
- 6.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance / Ethics Officer / Investigators and/or members of the Board of Director and/or the Whistle Blower.
- 6.6. 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).
- 6.7. 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.

- 6.8. Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject(s) should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject(s) and the Company.
- 6.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Board of Directors deems fit.

## **7. DECISION AND REPORTING:**

- 7.1. If an investigation leads the Vigilance / Ethics Officer to conclude that an improper or unethical act has been committed, the Vigilance / Ethics Officer shall recommend to the management / Chairman of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject(s) 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.
- 7.2. The Vigilance / Ethics Officer shall submit a report to the Chairman of the Company on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 7.3. In case the Subject(s) is Ethics Officer, Protected Disclosures can be directly submitted to the Chairman of the Company and he will after examining the Protected Disclosure shall forward the protected disclosure to other members of the Board, if deems fit. The Chairman of the Company shall appropriately and expeditiously investigate the Protected Disclosure either by himself or with the help of any other officer / agencies and submit the report to the Board of Directors and take actions based on the report.
- 7.4. If the Whistleblower is not satisfied with the outcome of the report of the investigation carried out by the Vigilance / Ethics Officer, he/she can make a direct appeal to the Chairman of the Company.

7.5. A complainant who knowingly makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Ethics Officer or the Chairman of the Company, he shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## **8. SECRECY / CONFIDENTIALITY:**

8.1. The complainant, Vigilance / Ethics Officer, Chairman of the Company and Board of Directors, the Subject and everybody involved in the process shall:

8.1.1. Maintain confidentiality of all matters under this Policy.

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

8.1.3. Not keep the papers unattended anywhere at any time.

8.1.4. Keep the electronic mails / files under password.

If anyone found not complying with the above, he/she shall be held liable for such disciplinary action as is considered fit.

## **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. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, 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. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.



- 9.2. A Whistle Blower may report any violation of the above clause to the Chairman of the Company, who shall investigate into the same and recommend suitable action to the management.
- 9.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Chairman of the Company is authorized to initiate appropriate action as per applicable 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.
- 9.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 9.5. 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 of intimation by him and for legitimate reasons or cause under Company rules and policies.

#### **10. ACCESS TO CHAIRMAN OF THE COMPANY:**

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

#### **11. 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.

**12. RETENTION OF DOCUMENTS:**

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

**13. ADMINISTRATION AND REVIEW OF THE POLICY:**

The Chairman of the Company shall be responsible for the administration, interpretation, application and review of this policy. The Chairman shall also be empowered to bring about necessary changes to this Policy, if required at any stage.

**14. REPORTING:**

A quarterly report with the number of complaints received under the policy, if any and the outcome thereof shall be placed before the Meeting of the Board of Directors.

**15. COMPANY'S POWER:**

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.