

RANE WHISTLE BLOWER POLICY

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Ver 1.1¹

¹ Name of the company amended w.e.f. March 12, 2015 consequent to conversion into Private limited

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1. Preface

Rane Group 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. Towards this end, the group has a clearly defined policy document titled “Ethical Standards of Behaviour” outlining the value system of the group companies and defines obligations of each of its employees to the respective Company. The group believes that any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the group and does not undermine the employees’ role in bring it to the notice.

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, *inter alia*, provides for a non-mandatory requirement for all listed companies to establish a mechanism called ‘Whistle Blower Policy’ for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy.

Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the constituent Company in the group to approach the Ombudsperson of the respective Company in the group.

2. Definitions

Some of the following terms mentioned in this document shall have the following meaning:

“**Agencies**” mean those persons / entities authorised, appointed, consulted or approached by the Ethics Committee for conducting a detailed enquiry and includes the internal auditors / auditors of the Company and the Police.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act, 1956 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

“**Business day**” means the working day of the Company, its plant or other locations.

“**Code**” means the Rane Group’s ‘Ethical Standards of Behaviour’.

“**Company**” means respective companies in the RANE Group, its subsidiaries, associates and joint ventures at all locations in India.

“**Employee**” means every employee of the Company working in India including the Directors in the employment of the Company.

“**Ethics Committee**” means a committee appointed by the Ombudsperson of the Company comprising of minimum three members, including the Ombudsperson.

“Ombudsperson” means the President / Head of the respective Company in the Rane Group.

“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

“Subject” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an enquiry.

“Rane Group” means all the companies where Rane Holdings Limited (RHL) and or its Promoter / Promoter Group holds strategic / substantial investment including its Subsidiary Companies, Associate Companies and Joint Venture Companies of RHL.

“Whistle Blower” means an Employee or any other person making a Protected Disclosure under this Policy.

3. Scope

- 3.1 This Policy is an extension of Rane Group’s ‘Ethical Standards of Behaviour’.
- 3.2 This Policy applies to all permanent employees, customers and vendors of respective companies in Rane Group.
- 3.3 This Policy covers all the companies in Rane Group.
- 3.4 The Whistle Blower’s role is that of reporting with reliable information on any improper or unethical business practices or actions which are violative (actual or potential) of the Code by any employee or others dealing with Companies in Rane Group or the employees of the respective Companies. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- 3.5 Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Ombudsperson or the Ethics Committee.
- 3.6 The Ombudsperson or the Audit Committee Chairman, as the case may be, shall appropriately deal with the Protected Disclosure.

4. Role of Ombudsperson and Ethics Committee

- 4.1 Ombudsperson will be responsible for upholding the principles of the “Ethical Standards of Behaviour” of the Company.
- 4.2 Ombudsperson shall receive and record the Protected Disclosure submitted by the Whistle Blower and authorise such official to determine and validate the facts and information mentioned in the Protected Disclosure.
- 4.3 After validation of the facts and information mentioned in the Protected Disclosure, the Ombudsperson shall constitute on case to case basis an Ethics Committee with minimum three members, including the Ombudsperson, to deal with the Protected Disclosure.

- 4.4 The Ombudsperson shall by himself or through such authorized official shall collect necessary support documents from the Whistle Blower or other sources and forward them along with the Protected Disclosure to the Ethics Committee within five (5) Business Days from the date of receipt of Protected Disclosure in the format as per **Annexure 4**.
- 4.5 Ethics Committee shall conduct an initial enquiry to determine whether any concern exists within 21 Business Days of receiving the Protected Disclosure in the format as per **Annexure 5**.
- 4.6 If in the initial enquiry it is found that the Protected Disclosure is not valid and no concern exists then the Ethics Committee as the case may be, dispose it as not tenable and record the same.
- 4.7 If in the initial enquiry it is ascertained that there exists a prima facie concern, the Ethics Committee shall initiate detailed enquiry on such terms as may be decided by the Ethics Committee, within 7 Business Days from the date of completion of initial enquiry.
- 4.8 Ethics Committee shall ensure that the detailed enquiry process is completed within 90 Business Days from the date of commencement of detailed enquiry. If not, reasons therefor shall be recorded by the Ethics Committee.
- 4.9 Ethics Committee shall be responsible for ensuring the conduct of detailed enquiry in fair and transparent manner.
- 4.10 Ethics Committee shall review the findings of the detailed enquiry and initiate appropriate corrective / disciplinary action including any legal action, if required, within 10 Business Days of completion of detailed enquiry.
- 4.11 Ethics Committee shall forthwith forward details of status of action taken against each Protected Disclosure to the Ombudsperson.
- 4.12 The Ombudsperson shall authorize such official to keep track of all the Protected Disclosures, initial and detailed enquiry reports, decision taken and the status of such instances. Such authorized official shall also act as the Secretary to Ethics Committee.

5. Eligibility

- 5.1 All Permanent Employees of the Company, the vendors and customers are eligible to make Protected Disclosures under the Policy.
- 5.2 Such Protected Disclosures may be in relation to matters concerning the Company.

6. Disqualifications

- 6.1 While it is 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 does not give immunity from disciplinary action arising out of false or bogus allegations made by a Whistle Blower wilfully or with a *mala fide* intention.

6.3 Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be *mala fide*, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, based on the recommendation of the Ethics Committee, the Company reserves its right to take / recommend appropriate disciplinary / legal action(s).

7. Procedure to make Protected Disclosure

7.1 Protected Disclosures should be addressed to the Ombudsperson. However, if such matters concerns the Company heads / Presidents, the same needs to be addressed to the Chairman of the Audit Committee.

7.2 The contact details of the Ombudsperson of the Company are given in Annexure 1.

7.3 If a protected disclosure is received by any executive of the Company other than the Ombudsperson, the same should be forwarded to the Ombudsperson for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

7.4 Protected Disclosures shall be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to enable a proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

7.5 Protected Disclosures shall be made in writing i.e., typed or hand written in a legible handwriting in English or in the regional language of the place of employment of the Whistle Blower.

7.6 Protected Disclosure should be forwarded in the prescribed format as per **Annexure 2 and Annexure 3** under a covering letter which shall bear the identity of the Whistle Blower. Anonymous disclosures will not be entertained.

7.7 Protected Disclosures shall be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to facilitate a proper assessment of the nature and extent of the concern.

8. Detailed enquiry

8.1 All Protected Disclosures reported under this Policy will be appropriately dealt with by the Ethics Committee of the Company.

8.2 The Ethics Committee may at its discretion, consider involving any specialized agency for the purpose of detailed enquiry.

8.3 The decision to conduct or the conduct of a detailed enquiry by Ethics Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the detailed enquiry may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

8.4 The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the detailed enquiry.

- 8.5 Subjects will normally be informed of the allegations at the outset of a detailed enquiry and have opportunities for providing their inputs during the detailed enquiry.
- 8.6 Subjects shall co-operate with the Ombudsperson / Ethics Committee or any of the agencies during the detailed enquiry to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 8.7 Subjects have a right to consult any person of their choice, other than the Ombudsperson / official authorised by the Ombudsperson/ Ethics Committee and / or the Whistle Blower.
- 8.8 Subjects shall be free at any time to engage counsel at their own cost to represent them in the detailed enquiry proceedings.
- 8.9 Subjects shall not interfere with the detailed enquiry and shall not withhold, destroy or tamper with, the evidence(s), and shall not influence, coach, threaten or intimidate the witness(es).
- 8.10 Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in detailed enquiry report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is sufficient valid evidence in support of the allegation.
- 8.11 Subjects have a right to be informed of the outcome of the detailed enquiry. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the detailed enquiry results would be in the best interest of the Subject and the Company.
- 8.12 The detailed enquiry shall be completed normally within 120 business days of the receipt of the Protected Disclosure.

9. Agencies for detailed enquiry

- 9.1 Agencies are required to conduct a process towards fact-finding and analysis. They shall derive their authority and access rights from the Ethics Committee when acting within the course and scope of the detailed enquiry.
- 9.2 The agencies conducting the detailed enquiry shall be independent and unbiased both in fact and as perceived.
- 9.3 Technical and other resources may be drawn upon as necessary to augment the detailed enquiry.
- 9.4 Detailed enquiry to be launched only after a preliminary review and such preliminary review shall establish that:
 - (a) the alleged act constitutes an improper or unethical activity or conduct, and
 - (b) either the allegation is supported by information specific enough to be enquired, or matters that do not meet this standard may be worthy of management review, but detailed enquiry itself should not be undertaken as an enquiry of an improper or unethical activity.

10. Protection

- 10.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.
- 10.2 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 Ombudsperson / Ethics Committee (e.g. during detailed enquiry carried out by the agencies).
- 10.3 Any other Employee assisting in the said detailed enquiry shall also be protected to the same extent as the Whistle Blower.

11. Outcome

- 11.1 Based on the detailed enquiry, if the Ethics Committee concludes that an improper or unethical act has been committed, the Company shall take appropriate action as the Ethics Committee may deem fit.
- 11.2 Such appropriate action, if any, initiated against the Subject as a result of the findings of detailed enquiry under this Policy shall be in accordance with the disciplinary procedures of the Company.

12. Reporting

- 12.1 The Secretary to the Ethics Committee shall submit a report periodically to the Ombudsperson about all Protected Disclosures referred to since the last report together with the status, if any.
- 12.2 Depending on the sensitivity of the case, the agencies shall submit periodical report to the Ethics Committee on the status of detailed enquiry.
- 12.3 Ethics Committee shall forward details of status of action taken against each Protected Disclosure, to the Chairman of the Audit Committee, on a half-yearly basis.
- 12.4 The Secretary to the Ethics Committee on the advice of the Ombudsperson will apprise the Whistle Blower of the decision / action taken on the Protected Disclosure.

13. Records

- 13.1 For a minimum period of Eight years, all protected disclosures, details of the initial / detailed enquiry, outcome and the actions taken under this policy, whether in writing or any other form of document, shall be retained and stored by the Ombudsperson in the safe custody for the Company.

14. Amendments

- 14.1 The Company is entitled to make any amendment to this policy and such amendments shall be notified to the employees.
