

BALKRISHNA INDUSTRIES LIMITED

WHISTLE-BLOWER & VIGIL MECHANISM POLICY

PREFACE:

Policy Title	Whistle Blower Policy and Vigil Mechanism
Version Number	1.2
Effective Date	15 th May, 2014
Authorised by	Board of Directors
Number of Revisions	2 (Two)
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1. Introduction

Balkrishna Industries Limited (BIL) believes in conducting all affairs of its constituents in fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The organization is committed to comply with the laws and regulations to which it is subject. For this, it has put in place systems, policies and processes to interpret and apply these laws and regulations in the organizational environment. These would help to strengthen and promote ethical practices and ethical treatment of all those who work in and with the organization.

Towards this end, the Company has adopted the Code of Conduct for Directors and Senior Management which lays down the general principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the stakeholders, including individual Employees and their representative bodies in pointing out such violations of the Code cannot be undermined.

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, formulated the “Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015”, which came into force with effect from 15th May, 2015 and further amended dated 31st December, 2018 which came into force with effect from 1st April, 2019.

Hence, in order to comply with the mandatory requirements of such Regulations 2015, this Policy is being revised to bring it in line with the amendment to such Regulations 2015.

Below Policy supersedes the earlier revised “Whistle Blower Policy and Vigil Mechanism” which was approved by the Board on 17th May, 2018.

- 1.1 The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 1.2 In terms of Section 177 of the Companies Act, 2013, (“Act”), Regulation 4 & 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, (“Listing

Regulations”), and as well as Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, this Revised Whistle Blower Policy and Vigil Mechanism (“the Policy”) has been framed with a view to *interalia* provide a mechanism *interalia* enabling stakeholders, including Directors, Individual Employees of the Company and their representative bodies, to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievance as also to report to the management concerns about unethical behavior, actual or suspected fraud or suspected leak of Unpublished Price Sensitive Information or violation of the Company’s code of conduct or ethics policy.

- 1.3 This policy supersedes the earlier Whistle Blower Policy.
- 1.4 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing.
- 1.5 The policy neither releases Directors and Employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a Personal situation.

2. Scope of Policy

- 2.1 The Policy sets out the procedure to be followed when making a Protected disclosure. The areas of concern covered by this Policy are summarized in paragraph 5.
- 2.2 The Whistle Blowers’ role is that of a reporting party with reliable information. Whistle Blowers provide initial information related to a reasonable belief that an improper or unethical practice has occurred.
- 2.3 All Stakeholders of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures shall be in relation to matter concerning the Company. All stakeholders are free to communicate their concerns about illegal or unethical practices.

3. Definitions

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time;

“Disciplinary Action” means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter;

“Employee” means every employee of the Company (whether working in India or abroad), including the Director in the employment of the Company;

“Investigators” means those persons / firms / bodies authorized, appointed, consulted or approached by the Chairman of Audit Committee / Audit Committee of the Company and include the auditors of the Company and the Police.

“Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical behaviour, actual or suspected, fraud or violation or any other unethical or improper activity including misuse or improper use of accounting policies and procedures resulting in misrepresentation of accounts and financial statements or suspected leak of Unpublished Price Sensitive Information.

“Stakeholders” means stakeholders as may be defined under the provisions of the Companies Act, 2013 and/or the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, and includes Directors, employees and their representative bodies, shareholders, debenture holders, deposit holders and any other security holders.

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

“Unpublished Price Sensitive Information(UPSII)” means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel,

Explanation: Speculative Reports in print or electronic media shall not be considered as published information.

“Whistle Blower” means a Stakeholder making a Protected Disclosure under this Policy.

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:

- Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- Ensure complete confidentiality.
- Not attempt to conceal evidence of the Protected Disclosure;

- Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- Provide an opportunity of being heard to the persons involved especially to the Subject;

5. Coverage of Policy

5.1 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. Suspected leak of Unpublished Price Sensitive Information
7. Unlawful act whether Criminal or Civil;
8. Pilferation of confidential/propriety information;
9. Deliberate violation of law/regulation;
10. Wastage/misappropriation of Company funds/assets;
11. Breach of employee Code of Conduct or Rules;
12. Any other unethical, biased, favoured, imprudent event.

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

5.3 Issues arising out of Company's policy with regard to performance bonus, promotions, increment, leave sanctions and transfers will not be dealt with under this Policy.

6. Disqualifications

6.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of victimization or 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 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious* shall be liable to disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company / Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

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

7. Manner in which concern can be raised and of Investigation and decisions thereof.

7.1 Whistle Blower can make Protected Disclosure in writing to the Chairman of the Audit Committee of the Company, as soon as possible but not later than 30 consecutive days after becoming aware of the same to the designated email ID: audit.committee@bkt-tires.com or address in writing to Chairman of Audit Committee at below mentioned Address:

To,
The Chairman of Audit Committee,
Balkrishna Industries Limited,
BKT House, C-15, Trade World, Kamala Mills Compoud,
Senapati Bapat marg, Lower Parel (W),
Mumbai 400 013.

7.2 The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures WILL NOT BE entertained.

7.3 If initial enquiries by the Chairman of the Audit Committee 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 recorded the reasons in writing.

7.4 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of Audit Committee. Where initial enquiries indicate that further investigation is necessary, the Chairman / Audit Committee may at its discretion engage Investigators to investigate / assist in investigation, with expenses therefor being borne by the Company. 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.

7.5 The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation. Subjects will normally be informed of the allegations and shall be given reasonable opportunity of being heard and for providing their inputs during the investigation.

7.6 Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects. If the subject is found indulging in any such actions, they will make themselves liable for disciplinary actions. Under no circumstances, subjects should compel investigator to disclose the identity of the Whistle Blower.

7.7 The Chairman of the Audit Committee of the Company shall:

- i) Make a detailed written record of the Protected Disclosure. The record will include:
 - a) 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 Chairman of the Audit Committee of the Company;
- f) The recommendations of the Chairman of the Audit Committee of the Company on disciplinary/other action/(s).

ii) The Chairman of the Audit Committee of the Company shall finalise and submit the report and submit it to the Audit Committee for further action.

7.8 On submission of report, Committee shall discuss the matter with Chairman of the Audit Committee of the Company who shall either:

i) In case the Protected Disclosure is proved, accept the findings and take such Disciplinary Action as it may think fit and take preventive measures to avoid reoccurrence of the matter;

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

Or

ii) Depending upon the seriousness of the matter, the Chairman of Audit Committee of Company may refer the matter to the Board of Directors with proposed disciplinary action/counter measures. The Board may decide the matter as it deems fit.

7.9 The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure unless in exceptional case/s, extension is granted by the Chairman of the Audit Committee.

8. Protection

8.1 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 Blower or any action which affects them negatively and 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 behavior 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. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower receive advice about the procedure, etc.

- 8.2 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted by law.
- 8.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

9. Secrecy/Confidentiality

The Whistle Blower, the Subject and every one involved in the process shall:

- a) maintain complete confidentiality/ secrecy of the matter
- b) not discuss the matter in any informal/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/files under password

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

10. Reporting

A quarterly report with all Protected Disclosures received under this Policy with the results of investigations, actions recommended, if any, and implementation of the same shall be placed before the Audit Committee and the Board. Such above reports shall be reviewed and recorded by the Audit Committee.

11. Amendment

The Board of Directors of the Company has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

The above shall form part of the present employment and other personnel policies, if any, of the Company.

12. Dissemination

The details of establishment of such mechanism shall be disclosed on the Company's website and in the Board's report.
