

(Annexure II)

B.L. KASHYAP AND SONS LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Preamble:

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives (“the Code”), which lays down the 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. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

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 behavior, actual or suspected, fraud or violation of the company’s code of conduct.

Under these circumstances, B.L. Kashyap and Sons Limited (“BLK”), being a Listed Company proposes to establish a Vigil Mechanism / Whistle Blower Policy and to formulate a policy for the same.

Applicability:

This policy covers all permanent employees of the Company, including Directors in the employment of the Company.

Coverage:

B.L. Kashyap And Sons Limited “BLK”, its Subsidiaries and Associate Companies.

Definition:

Audit Committee: A Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

Ethical Behavior: Being in accordance with the accepted principles of right and wrong that govern the conduct of a profession including but not restricted to financial impropriety and accounting malpractices.

Investigating Authority: This team will consist of members nominated by the Chairman, Managing Director or Audit Committee to conduct the actual investigation of the concerns raised by the Whistleblower. The size of the Investigating Authority will be decided by the Chairman, Managing Director or by Audit Committee. A minimum of 2 members would be required to investigate the matter.

Whistleblower: A person or entity making a disclosure of any unethical activity that they have observed.

Policy:

This policy is intended to cover serious complaint e.g. financial misappropriation, unethical or illegal conduct, violation of code of conduct etc.

No adverse personnel action shall be taken or recommended against an employee in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This policy protects such employees from unfair termination and unfair prejudicial employment practices.

However, this policy does not protect an employee from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

Procedure:

The procedure and guidelines for reporting are as follows

- All complaints / reports / disclosures should be sent to Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to the Chairman of Audit Committee as soon as possible but not later than 60 consecutive calendar days after becoming aware of the same.

The Contact detail of the Chairman of the Audit Committee is as under:

Mr. H.N. Nanani
Flat No. A-1,
W-43, Greater Kailash-II
New Delhi-110048

Email Complaint: An email complaint can be send to the Chairman Audit Committee at whistleblower@blkashyap.com

- The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible and should help in initial assessment and investigation
- The Whistleblower must disclose his / her identity in the complaint and the Department Head/ Managing Director /Audit Committee will not accept anonymous complaints.

Investigation:

All complaints received will be recorded and looked into. If initial enquiries by the Department Head/Management indicate that the complaint has no basis, or it is not a matter to be pursued under this policy, it may be dismissed at this stage and the decision documented.

Where initial enquiries indicate that further investigation is necessary, this will be carried out under directive either of the Chairman / Managing Director / Chairman of Audit Committee himself, in the manner deemed fit. The investigation would be conducted in a fair manner, as a neutral fact finding process and will not mean that the charges leveled have been proved.

The investigating authority would upfront contact the employee against whom the allegation has been made. Employees are expected to co-operate with the authority. If the employee agrees to the charges, then the investigating authority would prepare the report and recommend future course of action and submit it to the Audit Committee. If the employee refutes the charges the investigating authority would conduct detailed enquiries and may interview and collect facts

from other employees and sources. The employee against whom the allegation is made and other employees are expected to co-operate in the entire process. The Investigating Authority may draw upon technical or other resources as required for the investigation.

The Investigating authority will prepare a report and recommend future course of action within 45 days on the basis of the investigations and submit it to the Audit Committee.

Investigation Result: Based on thorough examination of the findings of the enquiry conducted, or on the basis of findings of the Investigating Authority, the Managing Director or Chairman / Audit Committee, would initiate appropriate action.

A report shall be prepared after completion of investigation and the Audit Committee shall consider the same.

After considering the report, the Audit Committee shall determine the cause of alleged Adverse Personnel action and may order for remedies which may inter-alia include:

- a) Order for an injunction to restrain continuous violation of this policy;
- b) Reinstatement of the employee to the same position or to an equivalent position;
- c) Order for compensation for lost wages, remuneration or any other benefits, etc.

The decision of Audit Committee shall be final and binding.

If and when the Audit Committee is satisfied that the alleged unethical & improper practice or wrongful conduct existed or is in existence, then the Audit Committee may –

- a) Recommend to Board to reprimand, take disciplinary action, impose penalty / punishment order recovery when any alleged unethical & improper practice or wrongful conduct of any employee is proved.
- b) Recommend termination or suspension of any contract or arrangement or transaction vitiated
- c) by such unethical & improper practice or wrongful conduct.

Protection: The 'Whistleblower' will be provided the following protection under this policy

- BLK will try to keep the identity of the Whistleblower confidential to the extent possible subject to legal constraints
- BLK will ensure that there is no unfair treatment meted out to the Whistleblowers. Harassment, discrimination or victimization of the complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee. Protection will be given to the Whistleblowers to ensure that there is no direct or indirect impact of the incident e.g. termination, disciplinary action, transfer, delay in promotion, etc.
- Any other stakeholder assisting in the investigation will be protected to the same extent as the Whistleblower
- If a Whistleblower makes an allegation knowing it to be false or with mala fide intentions, no protection will be provided under this policy and he / she may be subject to disciplinary action.



Retention of documents: All Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of five years.

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 unless the same is notified to the Employees in writing.

Annual affirmation: The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action.

The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.