

Kirloskar Oil Engines Limited

Whistleblower Policy / Vigil Mechanism

1. Preface

- 1.1.** Kirloskar Oil Engines Limited (KOEL - The organization) believes in conducting all affairs of its constituents in fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. 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.
- 1.2.** The organization's internal controls & operating procedures are intended to detect and prevent improper activities. However, even the best of systems and controls cannot provide absolute safeguards against irregularities, Intentional and unintentional violations of the organization's policies could occur.
- 1.3.** Towards this end, the Company has adopted the Code of Conduct ("the Code") with the objective of enhancing the standard of ethical conduct and evolving as good corporate citizen by implementing highest degree of transparency, integrity, accountability and corporate social responsibility pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation, 2015). Any actual or potential violation of the Code would be a matter of serious concern for the Company.
- 1.4.** Pursuant to provisions of the Companies Act, 2013, rules thereof and Listing Regulations, 2015, every listed company shall establish a vigil mechanism called "Whistle Blower / Vigil Mechanism Policy" to report to the management instances of genuine concerns including but not limited to unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.
- 1.5.** The purpose of this policy is to provide a mechanism for employees or any other person dealing with the Company, to report any instances of unethical or improper activity or misconduct to Ombudsman. It protects whistleblowers wishing to raise a concern about serious irregularities within the Company.

2. Policy

This policy is for the Employees and/or any other person dealing with the Company as defined hereinafter. The areas of concern covered by this policy are summarized in point no. 5.

3. Definitions

3.1. Whistleblower: An individual employee, director, channel partner, supplier, business associate a customer contractors or agency staff of the organization, who makes a Protected Disclosure, keeping the organization's interest in mind.

3.2. Audit Committee: The Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013, rules thereof and Listing Regulations, 2015 including any amendment thereof.

3.3. Company: Kirloskar Oil Engines Limited.

3.4. Disciplinary Action : Any action that can be taken on the completion of or during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as deemed fit considering the gravity of the matter.

3.5. Employee: Every employee of the Company including the Directors in the employment of the Company.

3.6. Ombudsman: A person who will be a full-time senior employee of the company, well respected for his/her integrity, independence and fairness and who is officially designated as "Ombudsman" and the same is made known to all as part of this policy. The Ombudsman is the designated official who can officially receive all complaints under this Policy and thereafter needs to ensure appropriate action is taken. The Managing Director shall have the authority to appoint/change the Ombudsman from time to time.

3.7. Person dealing with the Company: A business associate, channel partner, a customer, a supplier, contractors or agency staff dealing with the Company.

3.8. Protected Disclosure: A concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence related to any unethical or improper activity or malpractices or any event of misconduct or suspected fraud or violation of Company's code of conduct.

3.9. Investigator: An officer(s) who is/are nominated / appointed to conduct detailed investigation by Ombudsman.

3.10. Subject: A person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

3.11. Local Ethics Counselor: An officer who is nominated / appointed by Ombudsman for each location.

4. Guiding Principles

To ensure that this Policy is adhered to and to assure that the concern raised will be acted upon seriously, the Company will:

- a) Ensure complete confidentiality;
- b) Not attempt to conceal evidence of the Protected Disclosure;
- c) Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- d) Provide an opportunity of being heard to the persons involved especially to the subject.

5. Indications to raise an alarm

A matter can be considered serious enough for an alarm to be raised if it satisfies any of the following conditions:

- a) Serious violation of any organizational level policy, indicating weakness in internal control process
- b) Matter is likely to receive media or public attention
- c) Abuse of authority at any defined level in the Company
- d) Exposes the Company to a significant monetary or non-monetary liability
- e) Acts involving acceptance of bribes or any other form of corruption
- f) Disclosure of confidential or proprietary information to any outsiders
- g) Financial irregularities, including fraud or suspected fraud
- h) Indicates an incident / possible incident of sexual harassment at the work place
- i) Any other unethical, biased, favoured, imprudent event

EXCEPTIONS

Any matter which is an individual employee grievance relating to the terms & conditions of employment & which in normal course must be reported to the relevant HR personnel.

6. Disqualification

- a) Bringing to light personal matters regarding another person, which are in no way connected to the organization
- b) While it will be ensured that genuine Whistle Blower is accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- c) 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.
- d) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blower, the Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

7. Procedure

- 7.1.** All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- 7.2.** In respect of all other protected disclosures, those concerning all employees forming part of the Senior Leadership of the Company should be addressed to the Chairman of the Audit Committee and those concerning other employees should be addressed to the Company Ombudsman/ Local Ethics Counselor.
- 7.3.** Employees can make Protected Disclosure in writing (by letter or email) to Chairman of Audit Committee / Ombudsman / Local Ethics Counselor, as the case may be, so as to ensure clear understanding of the issue raised within 30 days on becoming aware of the same.

7.4. If initial enquiries by the Ombudsman indicate that the concern has no basis, or it is not a matter of investigation pursued under this Policy, it may be dismissed at this stage and the decision is documented.

7.5. Where initial enquiries indicate that further investigation is necessary, this will be carried by the Ombudsman alone, or by investigator nominated by the Ombudsman or investigator nominated by Chairman of Audit Committee for this purpose. 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.

7.6. Care must be taken to protect the identity of the Whistleblower & keep it confidential.

8. Investigation / Investigators

8.1. All Protected Disclosures reported under this Policy will be thoroughly investigated by an investigator appointed by the Audit Committee Chairman or by the Ombudsman as the case may be.

8.2. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and by virtue of appointment by the Company when acting within the course and scope of their investigation. Technical and other resources may be drawn upon as necessary to augment the investigation.

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

8.4. Subjects will normally be informed of the allegations at the outset of a formal investigation and will have opportunity of being heard during the investigation.

8.5. Subjects shall have to co-operate with the Local Ethics Counselor /Ombudsman / Chairman of the Audit Committee or any of the Investigators to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

8.6. Subjects 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 Subjects.

8.7. The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure. However the Ombudsman shall have the powers to grant or extend time limit wherever it is necessary.

8.8. On submission of report, the Investigator shall discuss the matter with Ombudsman / Audit Committee Chairman who shall either:

- i. In case the Protected Disclosure is proved, accept the findings of the investigators and take such Disciplinary Action as Ombudsman or Audit Committee Chairman may think fit and take preventive measures to avoid reoccurrence of the matter;
- ii. In case the Protected Disclosure is not proved, close the matter;

OR

Depending upon the seriousness of the matter, Ombudsman may refer the matter to the Audit Committee with proposed disciplinary action/counter measures.

9. Protection for Whistleblowers

9.1. No unfair treatment shall be given to a Whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigator.

The Company shall ensure that any kind of discrimination, harassment, victimization or any other unfair employment practice is not adopted against Whistleblower. Complete protection will, therefore, be given to Whistleblower 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 Whistleblower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure.

Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

9.2. The identity of a Subject and the Whistleblower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

9.3. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistleblower.

10. Reporting

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee.

11. Retention of Documents

All Protected Disclosures in writing or documents along with the results of investigation relating thereto, shall be retained by the company for a minimum period of seven years.


12. Communication of Policy

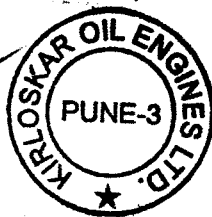
This policy including amendment thereof shall be communicated by displaying it on the Company's website as well as on the intranet website of the Company.

13. Amendment

This policy may be amended or modified from time to time in case of any subsequent changes to the provisions of applicable Act / Regulations or which deems necessary to strengthen whistle blower policy / vigil mechanism.

For and on behalf of Board of Directors
of Kirloskar Oil Engines Limited


Atul C. Kirloskar
Executive Chairman



Place: Pune

Date: 28 November 2015

Whistle Blower/Vigil Mechanism

A. Contact Details

Sr. No.	Name of Person	Designation	Postal and Email Address
1	R. Srinivasan	Chairman – Audit Committee	“Dhanya”126, Nandidurg Road, Bangalore – 560 046 rsri126@gmail.com
2	T. Parthasarathy	Ombudsman	Kirloskar Oil Engines Ltd. Laxmanrao Kirloskar Road, Khadki, Pune- 411003 T.Parthasarathy@kirloskar.com
3	Rajendra Kakade	Ethics Counsellor – Pune & Area Office	Kirloskar Oil Engines Ltd. Laxmanrao Kirloskar Road, Khadki, Pune- 411003 Rajendra.Kakade@kirloskar.com
4	Suresh Magdum	Ethics Counsellor – Kagal (All plants)	Kirloskar Oil Engines Ltd. Plot No. - D-1, Kagal-Hatkanangale 5 Star Industrial Area, At post Talandage, Tal – Hatkanangale, Dist. Kolhapur – 416 202 Suresh.Magdum@kirloskar.com
5	Makarand Deodhar	Ethics Counsellor – Nasik	Kirloskar Oil Engines Ltd. A-11/1, MIDC, Ambad, Nashik- 422010 Makarand.Deodhar@kirloskar.com
6	Pradeep Patekar	Ethics Counsellor – Rajkot (All plants)	Kirloskar Oil Engines Ltd. Plot No. 2315/16,2330/31,GIDC, Lodhika Industrial Estate, D4 Almighty Gate Road, Village Metoda, Rajkot - 360 035 Pradeep.Patekar@kirloskar.com

B. Whistle Blower / Vigil Mechanism Procedure

Whistle Blower / Vigil Mechanism procedure flow chart

