

SHANTHI GEARS LIMITED

WHISTLEBLOWER POLICY

<p>POLICY</p>	<p>Whistleblower Policy and Vigil Mechanism of Shanthi Gears Limited (“SGL” or the “Company”) formulated under Section 177 of the Companies Act, 2013 and Regulation 22 read with Regulation 4(2)(d)(iv) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</p>
<p>OBJECTIVE</p>	<p>To provide directors, employees, customers and vendors an avenue to raise concerns, in line with the Company’s commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.</p>
<p>DEFINITIONS</p>	<p>“Board” or “Board of Directors” shall mean the board of directors of the Company as constituted from time to time. “Director” shall mean a member of the Board of the Company. “Employee” shall include all persons employed by the Company. “Policy” shall mean this Whistleblower Policy of the Company. “Unpublished Price Sensitive Information” or “UPSI” means any information relating to the Company or its Securities, directly or indirectly, that is not Generally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 of the Company and shall, ordinarily include but not be restricted to, information relating to the following:</p> <ul style="list-style-type: none"> (i) financial results (ii) dividends (iii) change in capital structure (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions and (v) changes in key managerial personnel.

SCOPE	To provide necessary safeguards for protection from reprisals or victimization, for whistle blowing in good faith.
COVERAGE	All Directors, permanent employees, customers and vendors of the Company [including subsidiaries, associate companies and joint ventures in case such entities do not have a Whistleblower Policy of their own].
MAIN FEATURES	
Improper Practice	<p>The Whistleblower policy is intended to cover genuine and serious concerns that could have a large impact on Shanthi Gears Limited, such as actions (actual or suspected) that:</p> <ul style="list-style-type: none"> ➤ May lead to incorrect financial reporting; ➤ Are not in line with applicable Company policy; ➤ Involve any instance of bribery, embezzlement or misappropriation; ➤ Are unethical behaviour; ➤ Are actual or suspected fraud; ➤ Are violative of Company’s Code of Conduct; ➤ May result in leakage of Unpublished Price Sensitive Information; ➤ Are unlawful or; ➤ Otherwise amount to serious improper conduct.
Complainant (Whistleblower)	A director/employee/customer/vendor making a complaint/referral under this policy is commonly referred to as a complainant (whistleblower). The complainant’s role is as a reporting party, he/she is not an investigator. Although the complainant is not expected to prove the truth of an allegation, the complainant needs to demonstrate to the Ombudsperson, that there are sufficient grounds for concern.
Safeguards	<ul style="list-style-type: none"> ➤ Harassment or Victimization: Harassment or victimisation of the Complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned person involved in such harassment or victimisation. Any

	<p>complaint of harassment or victimization by a complainant will be addressed promptly, and the relevant person named in such harassment or victimization complaint will be required to prove that the allegations made in the complaint are not true/ do not amount to harassment or victimisation.</p> <ul style="list-style-type: none"> ➤ Confidentiality: Every effort will be made to protect the complainant’s identity, subject to legal constraints, by all persons involved in handling the complaint and those who receive any information in relation to such complaint. ➤ Anonymous Allegations: Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously WILL NOT BE usually investigated BUT subject to the seriousness of the issue raised, the Ombudsperson can initiate an investigation independently. ➤ Malicious Allegations: Malicious allegations will result in disciplinary action against those making such allegations.
<p>Ombudsperson</p>	<p>In case of complaints by or against employees, customers and vendors, the Ombudsperson will be a person, including a full-time senior employee, well respected for his/her integrity, independence and fairness, who will report directly to the Audit Committee in relation to any matters under this Policy. S/he would be authorised by the Board of the Company for the purpose of receiving all complaints under this Policy and ensuring appropriate action.</p> <p>In appropriate/exceptional cases, direct access to the Chairperson of the Audit Committee of the Board will be permitted subject to approval by the Ombudsperson.</p>

	<p>In case of complaints by or against directors, the Ombudsperson will be the Chairperson of the Audit Committee of the Board.</p> <p>In case the Complainant has reason to believe that the relevant Ombudsperson is involved in the suspected violation, the complaint may be made directly to the Chairperson of the Audit Committee of the Board.</p>
Reporting	<p>The whistle blowing procedure is intended to be used for genuine, serious and sensitive issues. Only genuine and serious concerns of the nature set out in this Policy should be reported to the concerned Ombudsperson. Annexure I provides the necessary contact details of the concerned Ombudsperson. In line with the objectives of the Policy, routine grievances from customers/vendors shall be dealt with by the customer/vendor grievance mechanism of the Company and shall not be covered under this Policy. With respect to referrals from customer/vendors, those alleging corruption charges and reputational risks will be dealt with under the Policy.</p>

<p>Investigation</p>	<p>All complaints received will be recorded and looked into. If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be pursued under this policy, it may be dismissed at this stage by the Ombudsperson and the decision documented by him/her.</p> <p>Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Committee nominated for this purpose (“Committee”). The Committee shall consist of persons who meet the criteria of independence and fairness and who do not have a conflict of interest in the investigation. 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.</p> <p>In case of absence or unavailability of the Ombudsperson, the Board may authorize a person to carry out the functions and responsibilities of the Ombudsperson.</p>
<p>Investigation Result</p>	<p>Based on a thorough examination of the findings, the committee (or Ombudsperson) would recommend an appropriate course of action to the CEO/MD of Shanthi Gears Limited [in case of complaints by or against employees, customers and vendors] or to Audit Committee of the Board [in case of complaints by or against directors]. Where an improper practice is proved, this would cover suggested disciplinary action, including dismissal, if applicable, as well as preventive measures for the future. All discussions would be minuted and the final report prepared, setting out the facts, evidence, observations and discussions in relation to the complaint and the investigation.</p>
<p>Investigation Subject</p>	<p>The investigation subject is the person / group of persons who are the focus of the enquiry / investigation. Their identity would be kept confidential to the extent possible.</p>

Reporting by Ombudsperson	In case of complaints by or against employees or directors, the Ombudsperson will provide quarterly reports to the Audit Committee. Such reports shall include details of malicious, frivolous or baseless complaints, if any, made by any employee or director.
Communications with Complainant	<p>The complainant will receive acknowledgement on receipt of the concern.</p> <p>The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from him/her.</p> <p>Subject to legal constraints, s/he will receive information about the outcome of any investigations.</p>
Changes to Policy	This policy can be changed, modified, rescinded or abrogated at any time by the Shanthi Gears Limited.
ACCOUNTABILITIES	
Directors/Employees/Customers/Vendors	<ol style="list-style-type: none"> 1. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. 2. Avoid anonymity when raising a concern. 3. Co-operate with investigating authorities, maintaining full confidentiality. 4. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty complaints. Malicious allegations by employees may attract disciplinary action. 5. A complainant has the right to protection from retaliation. But this does not extend to immunity for complicity in the matters that are subject of the allegations and investigation. In exceptional cases, where the complainant (being an employee/customer/vendor) is not satisfied with the outcome of the investigation carried out by the Ombudsperson, s/he can make a direct appeal to the Chairperson of the Audit Committee of Shanthi Gears Limited.

Ombudsperson	<ol style="list-style-type: none"> 1. Ensure that the policy is being implemented. 2. Ascertain prima facie the credibility of the charge. If initial enquiry indicates further investigation is not required, close the issue. 3. Document the initial enquiry. 4. Where further investigation is indicated carry this through, appointing a Committee if necessary. 5. Provide quarterly reports to the Audit Committee of Shanthi Gears Limited. 6. Acknowledge receipt of concern to the complainant, thanking him/her for initiative taken in upholding the Company's business conduct standards. 7. Ensure that necessary safeguards are provided to the complainant.
Ombudsperson/Committee	<ol style="list-style-type: none"> 1. Conduct the enquiry in a fair, unbiased manner. 2. Ensure complete fact-finding. 3. Maintain strict confidentiality. 4. Document the investigation thoroughly, including all facts, evidences, discussions and finding, including whether an improper practice has been committed and if so by whom. 5. Recommend an appropriate course of action to the Audit Committee - suggested disciplinary action, including dismissal, and preventive measures and other appropriate measures. 6. Minute Committee deliberations and document the final report 7. Table the quarterly reports with the Audit Committee.
MD/CEO	<ol style="list-style-type: none"> 1. Table the quarterly reports from the Ombudsperson with the Statutory Board. 2. Ensure necessary auctioning of recommendations of the Ombudsperson/Committee.
Investigation Subject	<ol style="list-style-type: none"> 1. Provide full co-operation to the investigation team. 2. Be informed of the outcome of the investigation. 3. Accept the decision of the Ombudsperson. 4. Maintain strict confidentiality.
Conflict of Interest	In case the Ombudsmen or members of the Committee or the Panel or the Board have any conflict of interest, with respect to the complaint,

	the Complainant or the persons named in the complaint, such persons shall recuse themselves from the investigation, hearing and decision making on the said complaint. Such persons will in no way attempt to influence the process of the investigation, hearing and decision making on the said complaint, failing which they may also face disciplinary action, including suspension or termination.
--	---

LIST OF ANNEXURES	
Annexure I	Ombudsperson Contact Details
Annexure II	Process Flow

ANNEXURE I: OMBUDSPERSON CONTACT DETAILS

For Directors

OMBUDSPERSON: Chairperson of the Audit Committee

CONTACT DETAILS:

Address:

304-A, Trichy Road
Singanallur
Coimbatore-641005

E-mail: info@shanthigears.murugappa.com

For employees, customers and vendors

OMBUDSPERSON: Mr. Shyam C Raman (Executive Vice President – Group HR)

CONTACT DETAILS:

Address:

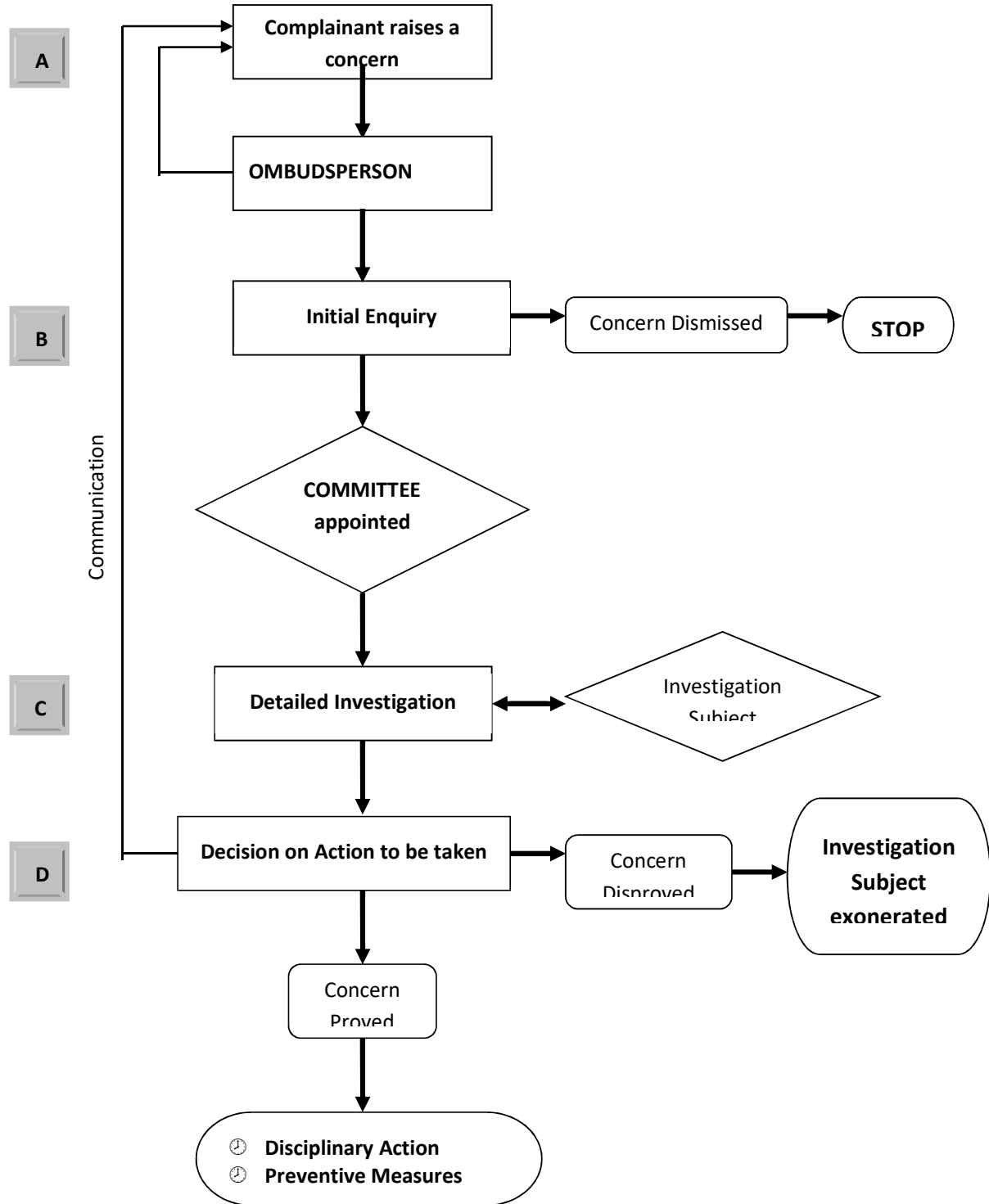
Dare House Extension, 6th Floor
234 N.S.C. Bose Road
Chennai - 600 001

Phone:

Direct line: 044 25304444
Dare House Extension: 4444

E-mail: ombudsperson@corp.murugappa.com

ANNEXURE II: PROCESS FLOW (WHISTLEBLOWER POLICY)



ANNEXURE II: PROCESS FLOW (WHISTLEBLOWER POLICY)**IMPROPER PRACTICES**

Serious concerns that would have an impact on SGL, such as actions (suspected or actual) that:

- May lead to incorrect financial reporting;
- Are not in line with applicable company policy;
- Involve any instance of bribery, embezzlement or misappropriation
- Are unethical behaviour;
- Are actual or suspected fraud;
- Are unlawful;
- Are violative of Company's Code of Conduct including the Code of Conduct to Regulate, Monitor and Report Trading by Insiders in Securities of SGL; or
- Otherwise amount to serious improper conduct.

SAFEGUARDS

- Harassment or Victimization: Harassment or victimisation of the Complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee.
- Confidentiality: Every effort will be made to protect the Complainant's identity, subject to legal constraints.
- Anonymous Allegations: Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously WILL NOT BE usually investigated BUT subject to the seriousness of the issue raised the Ombudsperson can initiate an investigation.
- Malicious Allegations: Malicious allegations would result in disciplinary action.