

WHISTLE BLOWER POLICY

I. PREAMBLE

Kesoram Industries Limited (“the Company”) is committed to conducting its business and affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

It is vital therefore for the Company to develop a culture where each one of its employees becomes contributory to the idiom of fairness, transparency, professionalism, honesty, integrity and ethical behaviour. A key part of this process would lie in the Company ensuring that an individual employee, irrespective of rank, seniority or designation, finds it safe to raise concerns about any business behaviour or practice followed by the Company that is considered to be unfair, unethical, illegal or otherwise unacceptable.

The purpose of this Policy is to provide an enabling framework to promote responsible whistle blowing by a Company employee. It seeks to afford complete protection to a whistle blower from adverse personnel action by the Company and thereby motivate him to fearlessly report any irregularity in the Company.

II. APPLICABILITY

This Policy applies to all employees of the Company.

III. BROAD POLICY DIMENSIONS

The Company encourages employees to report irregularities in the Company. Such disclosures should be made to the Chief Executive Officer of the concerned Business or the Audit Committee of the Board, as applicable. However, irregularities disclosed anonymously will not be entertained as the appropriate follow up action or investigation may not be possible in such eventuality but due consideration shall be given to seriousness of the issue raised, credibility of the concern and livelihood of confirmation of the allegation from the third party source.

No adverse personnel action will be taken or recommended against an employee in relation to or in retaliation of his disclosure provided this has been made in good faith.

The following riders would also be applicable in respect of any disclosure made:

- the Policy is not meant to release an employee from his duty of confidentiality ;
- the Policy does not protect an employee from any adverse personnel action independent of his disclosure;
- whistle blowing should not be used as a route for drawing managerial attention to a personal grievance.

IV. DEFINITIONS

1. Adverse Personnel Action

Means, any act or decision by the Company generally or specifically directed to unfavourably impact an employee's employment with the Company, including, but not limited to, termination, compensation, increment, promotion, job allocation and job profile.

2. Audit Committee

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

3. President/ Chief Executive Officer of the concerned Business

The Executive designated as the President/ Chief Executive Officer of the Tyre, Cement and Rayon Businesses and includes an Executive holding charge of the Business for the time being.

4. Good Faith

An employee will be deemed to be communicating in 'good faith' if there is a reasonable basis for communicating an irregularity. Good faith will be deemed absent if the concerned employee does not have personal knowledge of the factual basis for the communication or where the employee knew or reasonably should have known that the communication about an irregularity is or could be construed as malicious, false or frivolous.

5. Irregularity

For the purposes of this Policy, the term "irregularity" , subject to the provisions of Clause V 2.7 below, means any action or business behaviour or business practice that discloses or demonstrates information that may evidence unfair, unethical, illegal or any activity that is otherwise unacceptable or is against the Company's Code of Conduct for senior management. An illustrative list of possible irregularities appears in Clause V 2.6.

6. Key Managerial Personnel

Key Managerial Personnel, for the purpose of this Policy, will comprise of the Wholetime Directors, the Chief Executive Officer, Business Operations, the Chief Financial Officer and the Company Secretary who make or are in a position to materially influence significant managerial decisions.

7. Policy

Policy means this “Whistle Blower Policy.”

8. Whistle Blower

A Company employee who in good faith discloses an irregularity in the Company in writing to the President/ Chief Executive Officer of the concerned business or, in case the irregularity involves one or more Key Managerial Personnel, to the Audit Committee.

V. DETAILED GUIDELINES

1. Mechanism to be observed by Whistle Blowers

1.1 A whistle blower who observes or notices any irregularity should report this to the President/ Chief Executive Officer of the concerned Business, or, in case such irregularity involves one or more Key Managerial Personnel, to the Audit Committee. However, the whistle blower could always seek to address his observations to any Member of the Audit Committee should he/ she so desire. Such communication should be in the form of a letter addressed to the President/ Chief Executive Officer of the concerned Business at the Company’s Corporate Office at Birla Building, 9/1 R N Mukherjee Road, Kolkata 700001 or to any Member of the Audit Committee at the above address.

Communications can be hand delivered, sent by post to the above address or sent by e-mail to whistleblower@kesoram.net

A whistle blower can, if he so wishes, call on any Member of the Audit Committee personally after prior appointment before submitting a written disclosure on any irregularity observed by him. To enable a Meeting to be set up, the person can send a written communication addressed to any Member of the Audit Committee at the address given above or by email at whistleblower@kesoram.net The Member of the Audit Committee will then give this person a personal hearing. Such hearing(s) will be held *in camera*.

1.2 To enable expeditious action on disclosures, it is recommended that whistle blowers communicate the irregularity no later than 60 days upon becoming aware of the same.

Disclosures received thereafter will be treated strictly as per the discretion of the President/ Chief Executive Officer of the concerned Business/Audit Committee, as applicable.

1.3.1 The President/ Chief Executive Officer of the concerned Business, upon receipt of a Disclosure in respect of an irregularity, will cause an enquiry into the veracity and legitimacy of the disclosure. A copy of the Disclosure will be forwarded by him to the Chairman of the Audit Committee through the Secretary to the Audit Committee for purposes of record and follow up. Upon completion of the enquiry, he will report his findings to the Chairman of the Audit Committee together with his recommendations.

1.3.2. Similarly, where a disclosure is received by any Member of the Audit Committee, he may decide to direct the Company to enquire into the veracity and legitimacy of the disclosure. Alternatively, he may decide to refer the matter to all Members of the Audit Committee either in a Meeting or through circulation. The disclosure will, in those cases, be enquired into after the views of the majority of the Audit Committee Members are known.

1.4. The findings of an enquiry into an irregularity that has been the subject matter of disclosure will be documented through an Enquiry Report. The Enquiry Report should also have recommendations for action. Each Enquiry Report will be considered by the Audit Committee either in a Meeting or by circulation. The Audit Committee will then make its own recommendation for action to the Board of Directors of the Company.

2. Role, Rights, Responsibilities etc. of a Whistle Blower

2.1. The Company would expect whistle blowers to provide information based on reasonable belief that an irregularity(ies) has occurred in the Company. While the motivation of the whistle blower in providing such information would be irrelevant for considering the validity of the disclosures made, the Company will take serious note of cases when, upon enquiry, it becomes evident that the act of whistle blowing was motivated.

2.2. Whistle blowers must refrain from pursuing/obtaining evidence on subjects on which they do not have any right of access. Such improper access might itself be considered an irregularity committed by the concerned employee and invite adverse personnel action.

2.3. Whistle blowers, in their disclosures, should submit corroborating evidence to justify commencement of an enquiry. Enquiries into vague disclosures unspecified wrongdoings or broad allegations may not be undertaken without verifiable evidence.

2.4. The Company will endeavour to protect the identity of a whistle blower during the process of enquiry.

2.5. A Whistle Blower's right to protection from retaliation will not extend to immunity from any complicity in matters that are themselves the subject of the disclosure.

2.6. All illustrative (but not exhaustive) list of possible irregularities that could be covered as a part of a whistle blower's disclosures would be :

- forgery, falsification or alteration of documents ;
- unauthorised alteration or manipulation of computer files/data ;
- fraudulent reporting, willful material misrepresentation ;
- pursuit of a benefit or advantage in violation of the Company's interest ;
- misappropriation/misuse of the Company's resources, like funds, supplies, vehicles or other assets ;
- authorising/receiving compensation for goods not received/services not performed ;
- authorising or receiving compensation for hours not worked ;
- abused improper use of authority ;
- unauthorised release of proprietary information ;
- accepting, "kickbacks", bribes, expensive gifts, directly or indirectly from business connections including vendors and contractors. For this purpose, gifts/complimentaries etc., exceeding Rs.2500 in total on any one festive occasion per annum shall not be received by any company employee ;
- theft of cash, goods or services ;
- allowance of unauthorised discounts ;
- falsification, destruction of Company records ;
- lodgment of fraudulent claims ;
- unauthorisedly providing confidential information to external agencies.

2.7. It is clarified that the following matters will not constitute irregularities for the purposes of this Policy :

- personal grievances ;
- dissatisfaction with appraisals and increments ;
- complaints relating to service conditions ;
- sexual harassment ;
- suggestions for improving operational efficiencies.

These should be taken up separately.

3. Penalty for False Disclosures

An employee who knowingly makes false disclosures of irregularities will be subject to adverse personnel action. Moreover, this Policy cannot be used by an employee as a defence if an adverse personnel action against him has been taken or is in process independent of any disclosure by him.

4. Notification

The Company will host this Policy on its website: www.kesocorp.com

The Policy is subject to such modifications or amendments from time to time as may be determined by the Audit Committee.

5. Annual Affirmation

The Company will annually affirm in the Corporate Governance Section of its Annual Report that it has not denied any whistle blower access to the Audit Committee.
