

WHISTLE BLOWER POLICY

1. PREAMBLE

1.1. Section 177 of the Companies Act, 2013 requires every listed company 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, is a matter of serious concern for the Company and should be brought to the attention of the concerned. A vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism for reporting genuine concerns and also make provisions for direct access to the Chairperson of the Audit Committee.

1.2 ‘Whistle Blower Policy’ has been formulated with a view to provide a vigil mechanism for the Directors and Employees of the Company

2. POLICY OBJECTIVES

2.1 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.

2.2 The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express their concerns without fear of punishment or unfair treatment.

2.3 A Whistle Blower mechanism provides a channel to the Directors and Employees to report concerns about unethical practice, behaviour, actual or suspected fraud or violation of the Codes of Conduct or Policy. The mechanism provides for adequate safeguards against victimization of employees and Directors.

2.4 This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

3. DEFINITIONS

- 3.1. “**Audit Committee**” means a Committee constituted by the Board of Directors of the Company in accordance with the guidelines of the Listing Agreement and the Companies Act, 2013.
- 3.2. “**Board**” means the Board of Directors of the Company.
- 3.3. “**Code**” means Code of Conduct for Directors and Senior Management Executives adopted by Carnation Industries Limited.
- 3.4. “**Employee**” means all the present employees and whole time Directors of the Company
- 3.5. “**Protected Disclosure**” means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity in the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 3.6. “**Subject**” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 3.7. “**Vigilance and Ethics Officer**” means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Chairman of the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 3.8. “**Whistle Blower**” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

4. The Guiding Principles

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

- 4.1.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- 4.1.2 Ensure complete confidentiality;
- 4.1.3 Not attempt to conceal the evidence of the Protected Disclosure;
- 4.1.4 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- 4.1.5. Provide an opportunity of being heard to the persons involved especially the Subject;

5. SCOPE

- 5.1. The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - 5.1.1 Abuse of authority
 - 5.1.2 Breach of contract
 - 5.1.3 Negligence causing substantial and specific danger to public health and safety
 - 5.1.4 Manipulation of company's data/records
 - 5.1.5 Financial irregularities, including fraud, or suspected fraud
 - 5.1.6 Criminal offence
 - 5.1.7 Pilferation of confidential/propriety information
 - 5.1.8 Deliberate violation of law/regulation
 - 5.1.9 Wastage/misappropriation of company funds/assets
 - 5.1.10 Breach of employee Code of Conduct or Rules
- 5.2. Through this Policy, the Company seeks to provide a procedure for all the employees of the Company to disclose any unethical and improper practice taking place in the Company for appropriate action and reporting.

6. Disqualifications

- 6.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of 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.

7. ELIGIBILITY

All Employees of the Company including Directors are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

8. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

8.1 All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.

8.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower Policy**”. Alternatively, the same can also be sent through email with the subject “**Protected Disclosure Under The Whistle Blower Policy**”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Vigilance and Ethics Officer/Chairman of the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, no acknowledgement would be issued to any complainants and they are advised neither to write their name / address on the envelope.

8.3 Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer/Chairman of the Audit Committee.

8.4 The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Chairman of the Audit Committee shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

8.5 All Protected Disclosures should be addressed to the Chairman of the Audit Committee.

**Name and Address of the
Chairman of the Audit
Committee**

**Mr. R.C. Jha
Carnation Industries Limited
222, A.J.C Bose Road
Kolkata – 700 017**

Email -

rc_jha@hotmail.com

8.6 On receipt of the protected disclosure the Chairman of the Audit Committee shall make a record of the Protected Disclosure and may also ascertain from the complainant whether he is the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action.

9. INVESTIGATION

9.1 All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.

9.2 The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

9.3 Subject(s) will normally be given an opportunity for providing his input during the investigation.

9.4 Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

9.5 Subject(s) 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 subject(s).

9.6 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

9.7 Subject(s) have a right to be informed of the outcome of the investigations

9.8 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

9.9 Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

10. DECISION AND REPORTING

10.1 The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee/Audit Committee on a regular basis about all Protected Disclosures referred to him/her together with the results of investigation, if any.

10.2 In case the Subject is the Managing Director/Joint Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

10.3 If an investigation leads Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as he may deem fit.

10.4 A complainant who makes false allegations of unethical & improper practices, Audit Committee shall be subject to take appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

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

11. SECRECY / CONFIDENTIALITY

11.1 The Complainant, Vigilance and Ethics Officer, Members of Audit Committee, Chairman of the Audit Committee and everybody involved in the process shall:

11.1.1 Maintain confidentiality of all matters under this Policy

11.1.2 Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

11.1.3 Not keep the papers unattended anywhere at any time

11.1.4 Keep the electronic mails / files under password.

12. CONFIDENTIALITY & PROTECTION

12.1 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 Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion 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 facilitate arrangements for the Whistle Blower.

12.2 A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall have it investigated and recommend suitable action to the management.

12.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies.

12.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

12.5 Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules of the Company. This policy does not

protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

13. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access the Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

14. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

15. ADMINISTRATION AND REVIEW OF THE POLICY

The Board of Directors shall be responsible for the administration, interpretation, application and review of this policy. The Board also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

17. 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.