

The logo for Krypton Industries Limited, featuring a stylized blue 'K' followed by the word 'krypton' in a lowercase, sans-serif font. Below 'krypton' is the tagline 'A STEP FORWARD' in a smaller, uppercase font.

KRYPTON INDUSTRIES LIMITED
Whistle Blower Policy (Vigil Mechanism)

PREFACE

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company has adopted the Code of Conduct for Directors and Senior Management Personnel (“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.

In compliance with the provisions of Section 177 (9) and (10) of the Companies Act 2013 (“the Act” or “Act”), every listed company has been mandated to establish a vigil mechanism for directors and employees of the company to report to the chairperson of the Audit Committee instances of unethical, actual or suspected, fraud or violation of the Company’s Code or Policies. Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges has been amended which is effective from October 1, 2014, inter alia provides for a mandatory requirement for all listed companies to establish a vigil mechanism called “Whistle Blower Policy” for employees to report genuine concerns about unethical behavior, actual or suspected, fraud or violation of the company’s code of conduct or ethics policy.

POLICY

In compliance of the above requirements, Krypton Industries India Ltd, (KIL), being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

POLICY OBJECTIVES

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy.

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

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

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.

DEFINITIONS

- a. **“Audit Committee”** means the Audit 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.
- b. **“Disciplinary Action”** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of a fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter
- c. **“Employee”** means every employee of the Company, including the Directors in the employment of the Company.
- d. **“Code”** means the Code of Conduct of THE COMPANY Krypton Industries Limited.
- e. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee for the purpose of investigation into the facts of a case.
- f. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- g. **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h. **“Whistle Blower”** means a Director or an Employee making a Protected Disclosure under this Policy.

SCOPE

This Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:

1. Breach of the Company’s Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information

9. Gross Wastage/misappropriation of Company funds/assets
- 10 And any other unethical conduct.

The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Investigators.

Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be. The decision of the Audit Committee is final in all matters and corrective action in this aspect.

This Policy is not, however, intended to question financial or business decisions taken by the Company that are not reportable matters nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. Further, this Policy is not intended to cover career related or other personal grievances.

ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

DISQUALIFICATIONS

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.

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.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers 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.

PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blower policy” or sent through email with the subject “Protected disclosure under the Whistle Blower policy”.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee. Whereas in respect of Protected Disclosures concerning member/s of the Audit Committee or Vigilance Officer as the subject/s, the disclosures should be addressed to the Managing Director & CEO of the Company.

Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Protected Disclosures expressed anonymously will not be considered / investigated. The Chairperson of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation or in any other manner to protect the confidentiality of the Whistle Blower.

INVESTIGATION

All Protected Disclosures reported under this Policy will be thoroughly and duly investigated by the Chairperson / Audit Committee of the Company. The Audit Committee may at its discretion, consider the involvement of any investigators of the Company for the purpose of investigation and appoint the same.

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

The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate requirements of law and the investigation.

Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.

Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

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

Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.

PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimisation of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

CONFIDENTIALITY

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody

INVESTIGATORS

Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.

Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee which establishes that:

- i. the alleged act constitutes an improper or unethical activity or conduct, and

ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review.

Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

DECISION & REPORTING

If an investigation leads the 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 management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

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

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

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 minimum period of seven years.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part with the approval of the Board of Directors. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

13th August, 2014.