

# VIGIL MECHANISM POLICY/WHISTLE BLOWER POLICY

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## KARNIMATA COLD STORAGE LIMITED

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CIN- L01403WB2011PLC162131

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## **I. Background**

As per applicable provisions of Section 177 of Companies Act, 2013 every Listed Company shall establish a Vigil Mechanism or Whistle Blower Policy for the Directors and employee to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Companies Code of Conduct or Ethics Policy. 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, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases.

Under these circumstances, as per the recommendation of Audit Committee on its meeting on 30<sup>th</sup> May, 2014, Karnimata Cold Storage Limited has no Vigil Mechanism and being a Listed Company Karnimata Cold Storage Limited proposes to establish a Vigil Mechanism/ Whistle Blower Policy and to formulate a policy for the same.

## **II. Policy Objectives**

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 unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil Mechanism or Whistle Blower Policy provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

## **III. Scope of the Policy**

This Policy intends to cover serious concerns that could have serious impact on the operations and performances of the Company and malpractices and events which have taken place or suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

#### **IV. Definitions**

1. “Audit Committee” means a Committee constituted by the Board of Directors of the Company in accordance with provisions of Companies act, 1956 and amended as per provisions of Companies Act, 2013.
2. “Board” means the Board of Directors of the Company.
3. “Employee” means every employee of the Company, including the Directors in the employment of the Company.
4. “Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity under the title “Scope of the Policy” Protected disclosures 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 extend of the concern.
5. “Code” means Code of Conduct for Directors and Senior Management Personnel adopted by Karnimata Cold Storage Limited.
6. “Subject” means a person or group of person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
7. ‘Whistle Blower’ is an employee or group of employees who make a Protected Disclosure under this Policy.
8. “Nodal Officer” means an officer of the Company nominated by the Managing Director to receive Protected Disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the result thereof.
9. “Company” means Karnimata Cold Storage Limited.

#### **V. Eligibility**

All employees of the Company and various stakeholders of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## VI. Receipt and Disposal Of Protected Disclosures

1. All Protected Disclosures should be reported in writing by the complainant as soon as possible by 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.
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.” If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect the identity of the complainant, the nodal officer will not issue any acknowledgement to the complainant and the complainants are advised neither to write the name / address of the complainant on the envelope nor to enter into any further correspondence with the nodal officer / audit committee. The audit committee assures that in case any further clarification is required he will get in touch with the complainant.
3. Anonymous / Pseudonymous disclosure shall not be entertained by the Nodal Officer.
4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Nodal Officer/Managing Director/ Chairman of Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.
5. All Protected Disclosure should be addressed to the Nodal Officer of the Company. The contact details of the Nodal Officer is as under:

**Name: Ms. Asha Ladia (Director)**  
**Address: Karnimata Cold Storage Limited**  
**Vill: Chekuasole,**  
**Po: Jogerdanga**  
**Ps: Goaltore**  
**Dist: Paschim Medinipur**  
**West Bengal- 721121**

6. Protected Disclosure against the Nodal Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the audit Committee. The Contact details of the Managing Director and Chairman of the Audit Committee are as under:

**Name and Address of Managing Director**

**Name: Pradip Lodha**  
**Address: Karnimata Cold Storage Limited**  
**Vill: Chekuasole,**  
**Po: Jogerdanga**  
**Ps: Goaltore**  
**Dist: Paschim Medinipur**  
**West Bengal- 721121**

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

**Name: Ms. Venus Kedia**  
**Address: Karnimata Cold Storage Limited**  
**Vill: Chekuasole,**  
**Po: Jogerdanga**  
**Ps: Goaltore**  
**Dist: Paschim Medinipur**  
**West Bengal- 721121**

7. On receipt of the Protected Disclosure the Nodal Officer/Managing Director/Chairman of Audit Committee shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:
- i) brief facts;
  - ii) whether the same protected disclosure was raised previously by anyone, and if so, the outcome thereof;
  - iii) whether the same protected disclosure was raised previously on the same subject;
  - iv) details of action taken by Nodal Officer/Managing Director for processing the complaint;
  - v) findings of the Audit Committee;
  - vi) the recommendations of the Audit Committee/other actions;
8. The Audit Committee if deems fit may call for further information or particulars from the complainant.

**VII. Investigation**

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 for the purpose of investigation.

2. The decision to conduct an investigation taken by Audit Committee is by itself not an accusation and is to be treated as a neutral fact finding process.
3. Subject(s) will normally be informed in writing of the allegation at the outset of a formal investigation and have opportunities for providing their inputs during there investigation.
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 to the extent that such co-operation will not compromise self incrimination protections available under the applicable laws.
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).
6. Unless there are compelling reasons not to 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 sufficient evidence in support of the allegation.
7. The subject(s) have a right to be informed of the outcome of the investigations.
8. The investigation shall be completed normally within 90 days of receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit and as applicable.

### **VIII. Decision And Reporting**

1. Audit Committee along with its recommendations will report its findings to the Managing Director through the Nodal Officer within 15 days of receipt of report for further action as deemed fit. Copy of above decision shall be addressed to the Audit Committee, the Nodal Officer, the Complainant and the Subject.
2. In case the subject is a Nodal Officer of the Company, the Protected Disclosure shall be addressed to the Managing Director who, after examining the protected disclosure shall forward the matter to the Audit Committee. The Audit Committee after providing an opportunity to the subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the Managing Director. Copy of the above shall

be addressed to the Audit Committee, the Nodal Officer, the Complainant and the subject.

3. In case the Subject is the Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosures shall forward the protected disclosure to the other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the protected disclosure.
4. If the report of investigation is not to the satisfaction of the complainant, the complainant has right to report the event to the appropriate legal or investigating agency.
5. A complainant who makes false allegations of unethical or improper practices or about wrongful conduct of the subject to the Nodal Officer or the Audit Committee shall subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

#### **IX. Secrecy/Confidentiality**

1. The Complainant, Nodal Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:
  - i) maintain confidentiality of all matters under this policy;
  - ii) discuss only the extent or with those persons as required under this policy for completing the process of investigation;
  - iii) not keep the papers unattended anywhere at any time;
  - iv) keep the electronic mails/files under password;

#### **X. Protection**

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 arrange for the Whistle Blower to receive advice about the procedure etc.

2. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management
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 or disclosed his identity to any other office or authority. In the event 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, in which case members of the organization are subject to subpoena.
4. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
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, procedures and policies of the Company. This Policy doesn't protect an employee from an adverse action taken independent of his disclosure of unethical and improper practices etc. unrelated to a disclosure made pursuant to this policy.

#### **XI. Access to Chairman of the Audit Committee**

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

#### **XII. Communication**

A Whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and on the website of the Company.

#### **XIII. Retention of Documents**

All protected disclosures documented along with the results of investigation relating thereto shall be retained by the Nodal officer for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.



#### **XIV. Administration and Review of the Policy**

A quarterly report about the functioning of the Whistle Blower Mechanism shall be placed before the Audit Committee. A quarterly status report on the total number of compliant received if any during the period with summary of the findings of the Nodal Officer and corrective steps taken should be send to the Chairman of the company. The Managing Director of the Company shall be responsible for the administration, interpretation, application and review of this policy.

#### **XV. 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. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

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