

VIGIL MECHANISIM/WHISTLE BLOWER POLICY

SHAKTI PUMPS INDIA LIMITED

1. PREFACE

Pursuant to Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and as per applicable provisions of section 177 of the Companies Act 2013 and amendments thereof requires every listed company shall establish a Whistle Blower policy/Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's code of conduct for Directors and senior management executive("the Code")which lays down the principles and standards that one should govern the actions of the Company and its employees. Any actual or potential violation of code, however 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 employee who avail of such mechanism and also make provisions for the direct access to the chairperson of Audit Committee in exceptional cases.

Under these circumstances, **SHAKTI PUMPS (INDIA) LIMITED (SPIL)** being a Listed Company proposes to establish a Whistle Blower Policy/Vigil Mechanism and also make provisions for direct access to the chairperson of the Audit Committee in exceptional cases.

2. POLICY OBJECTIVES:

The Company is committed to adhere to the highest standard of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerned about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors. To report to the management concern 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.

3. SCOPE OF THE POLICY

The policy covers malpractices and events which have taken place/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.

4. DEFINATIONS

a) "**Alleged wrongful conduct**" shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health safety or abuse of authority.

- b) **“Board”** means the Board of directors of the Company.
- c) **“Company”** means the Shakti Pumps (India) Limited and all its offices.
- d) **“Code”** means Code of Conduct for Directors and Senior Management Executives adopted by Shakti Pumps (India) Limited.
- e) **“Employee”** means all the present employees and Directors of the Company (weather working in India or abroad)
- f) **“Protected Disclosure”** means a concerned 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 under the title SCOPE OF THE POLICY with respect to the Company. It should be factual and not speculative or in nature of interpretation / conclusion and should contain as much specific information as possible to aloe for proper assessment of the nature and extent of the concern.
- g) **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of investigation.
- h) **“Whistle Blower”** means an Employee making a Protected Disclosure under this policy.
- i) **“Vigilance and Ethics Officer”** means an officer of the company nominated by Competent Authority to conduct detailed investigation under this policy and to receive protected disclosure from Whistle blowers, maintain record thereof, placing the same before the Audit Committee for its disposal and informing the Whistle blower the results thereof.
- j) **“Committee”** means Audit Committee constituted by the Board of Directors of Shakti Pumps (India) Limited in accordance with Section 177 of the Companies Act 2013, which has responsibility for supervising the development and implementation of this Policy.

5. ELIGIBILITY:

All Employees and Directors of the Company are eligible to make protected Disclosure under this policy and also relation to matter concerning the Company.

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

1. All Protected disclosure should be reported in writing by complainant as soon as possible after the Whistle blower becomes aware of the same as to a clear understanding the issues raised and should be in the prescribed format.
2. The Protected Disclosure should be submitted in a closed secured envelop and should be super scribed as Protected Disclosure under the vigil Mechanism Policy. If the complaint is not super scribed and close as mentioned above, it will not be possible for the Committee to protect the complainant and the protected disclosure will be dealt with as a normal disclosure. In order to protect the identity of the complainant, the Vigilance and Ethics Officer will not issue an acknowledgement to the complainant and they are advised neither to write their name/address on the envelope. The Vigilance and Ethics Officer shall assure that in case any further clarifications required he will get touch with the complainant.

3. All Protected Disclosure should be addressed to the Chairman of Audit Committee or to the Chairman of the Company in exceptional cases.

Name and Address of Chairman (Audit Committee)-

Mrs. Nishtha Neema,

Shakti Pumps (India) Limited,

Plot No. 401, 402 & 413, Industrial Area,

Sector-III, Pithampur-454774

Email- nishtha.neema@gmail.com

Name and Address of Chairman-

Mr. Dinesh Patidar,

Shakti Pumps (India) Limited,

Plot No. 401, 402 & 413, Industrial Area,

Sector-III, Pithampur-454774

Email- dinesh@shaktipumps.com

4. On receipt of the protected disclosure the Vigilance and Ethics Officer/Chairman of the committee, as the case may be, shall make a record of protected disclosure and also ascertain from the complainant whether he was 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 investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject matter;
- d) Details of action taken by Vigilance and Ethics Officer/Chairman for processing the complaint
- e) Findings of the committee
- f) The recommendations of the Committee/other action(s).

7. INVESTIGATION:

1. All Protected Disclosures under this policy will be recorded and thoroughly investigated. The 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.

2. The decision to conduct an investigation 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 the formal investigation and have opportunities for providing their inputs during investigation.
4. Subject(s) shall have a duty to co-operate with the committee or any of the officers appointed by it in this regard.
5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Committee.
6. 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).
7. 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 allegation.
8. Subject(s) have a right to be informed of the outcome of the investigations. 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
9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Committee deems fit.

8. DECISION AND REPORTING

- a) If an investigation leads the Vigilance and Ethics Officer/Chairman of the committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer /Chairman of the Committee shall recommend to the management of the Company to take disciplinary or corrective action as she 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
- b) The Vigilance and Ethics Officer shall submit a report to the Chairman of the Committee on regular basis about all Protected Disclosure to other members of the Committee if deem fit. The Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- c) In case the Subject is the Chairman of the Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Committee if deem fit. The Committee shall appropriately and expeditiously investigate the Protected Disclosure.

- d) If the report of investigation is not to the satisfaction of the complainant, the complainant has a right to report the event to the appropriate legal or investigating agency.
- e) A complainant who makes false allegation of unethical & improper practices or about alleged wrongful conduct of the of the subject to the Vigilance and Ethics Officer or the Committee shall be subject to appropriate disciplinary action in accordance with the rules ,procedures and policies of the Company.

9. PROTECTION:

- a) 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 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 under this policy including making further Protected Disclosure .The Company will take steps to minimize the difficulties, which the Whistle Blower may experience as a result of making the 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.
- b) 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.
- c) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- d) Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

10. SECRECY/CONFIDENTIALITY

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

Maintain the 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.

Not keep the papers unattended anywhere at any time

Keep the electronic mails/files under password.

11. DECISION

If an investigation leads the Whistle and Ethics Officer/ Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Whistle Officer /Chairman of the Audit Committee shall recommend to the management of the Company and to take such 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.

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

12. REPORTING

The Whistle & Ethics officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations if any.

13. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have a right to access 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. COMMUNICATION

A Whistle Blower shall have a right to access Chairman of the Audit Committee on regular basis about all Protected Disclosures referred to her since the last report together with results of investigations, if any

15. RETENTION OF DOCUMENTS

All Protected disclosure in writing or documented along with the results of Investigation relating there to, 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

16. ADMINISTRATION AND REVIEW OF THE POLICY

A quarterly report about the functioning of the Whistle Blower Mechanism shall be placed the Audit Committee. A quarterly status report on the total number of complaint received if any

during the period with summary of findings of Whistle Officer/AC and corrective steps taken should be send to the Chairman of the Company. The Chief Executive Officer shall be responsible for the administration, interpretation, application and review of this policy.

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

FORM FOR VIGIL MECHANISM

Date:

Name of Employee/Director:

E-mail id of the Employee/Director:

Communication Address:

Contact No:

Subject matter which is reported:

(Name of the Person /event focused at):

Brief about the Concern:

Evidence (enclosed, if any)...

Signature:

Note: The Whistle Blowing shall be submitted at least within 30 days of the Occurrence of the Concern/event (or) before Occurrence.