



VIGIL MECHANISIM (WHISTLE BLOWER POLICY)



KLJ RESOURCES LIMITED

REGD. OFFICE: 8 CAMMAC STREET KOLKATA 700017

CIN: L67120WB1986PLC041487



PREAMBLE

As per Section 177 of the Companies Act, 2013 the company is required to establish a vigil mechanism for the directors and employees to report genuine concerns or grievances related to the matters as set out in this policy.

KLJ Resources Limited (“Company”) is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics with full and accurate disclosures. The Company believes in conducting the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The purpose of this mechanism is to eliminate and help to prevent malpractices, to investigate and resolve complaints, take appropriate action to safeguard the interests of the Company and to ensure that any person making a concern or grievance is protected, while at the same time actively discouraging frivolous and insubstantial complaints.

POLICY OBJECTIVE

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 Code of Conduct.

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.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

DEFINITIONS

“**Protected Disclosure**” means any communication made in good faith by the whistle blower that discloses or demonstrates information that may indicate evidence towards unethical or improper



activity.

“**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.

“**Whistle Blower**” is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

“**Vigil Mechanisim Committee means** the committee designated by the Audit Committee to process and investigate Protected Disclosures and shall comprise of the Managing Director, the Company Secretary and the Chief Financial Officer of the Company. The Managing Director shall serve as the Chairman of the Vigil Mechanism Committee.

SCOPE

The Policy covers disclosures of any unethical or improper practices and events which take place or are suspected to have taken place, including but not limited to:

- Breach of the Company’s Code of Conduct
- Breach of business Integrity and Ethics
- Intentional financial irregularities, including fraud, or suspected fraud
- Deliberate violation of laws/regulations
- Gross or willful negligence causing substantial and specific danger to health, safety and environment
- Manipulation of company data/records
- Pilfering confidential/propriety information
- Gross wastage/misappropriation of Company’s funds/assets

ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosure(s) under the Policy in relation to matters concerning the Company.

PROCEDURE

- All Protected Disclosures should be reported to the Vigil Mechanisim Committee of the Company in writing by the complainant as soon as possible but not later than 30 days after the Whistle Blower becomes aware of the same. The Protected Disclosure should either be



typed or written in a legible handwriting in English and shall be reported to the Vigil Mechanism Committee through Compliance Officer whose contact details are as under:

Name and Address – Sh. Praveen Sharma

KLJ Resources Limited.

Email- praveen@kljindia.com

- The Protected Disclosure/complaint should contain the identity of the whistle blower/complainant, i.e., his/her name, employee ID and location. The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be superscribed as “Protected Disclosure under the Whistle-blower Policy” or sent through email with the subject “Protected Disclosure under the Whistle-blower Policy”. If the complaint is not superscribed and secured as mentioned above, the protected disclosure will be dealt with as a normal disclosure.
- In order to protect the identity of the complainant no acknowledgement will be issued to the whistle-blower. It shall be informed to the complainant that in case any further clarification is required, he shall be contacted accordingly.
- Anonymous/pseudonymous disclosures shall not be entertained by the Vigil Mechanism Committee as a prophetic disclosure.
- The Vigil Mechanism Committees shall detach the covering letter bearing the identity of the whistle-blower and shall make a record of the Protected Disclosure.
- If deemed fit, the Vigil Mechanism Committee may call for further information or particulars from the complainant.

INVESTIGATION

- All Protected Disclosures under this policy will be recorded and thoroughly Investigated.



- The Vigil Mechanism Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.
- The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.
- The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Vigil Mechanism Committee deems fit.
- Any member of the Vigil Mechanism Committee having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.
- The Whistle Blower shall have right to access to 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.

DECISION AND REPORTING

- If an investigation leads to a conclusion that an improper or unethical act has been committed, the Vigil Mechanism Committees shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.
- Any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall also adhere to the applicable personnel or staff conduct and disciplinary procedures.
- The adequacy of the Whistle Blower Mechanism shall be assessed by the Audit Committee on an yearly basis and the Company is empowered to carry out suitable changes in the mechanism as they deem fit.



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

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 victimization 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.

SECRECY AND CONFIDENTIALITY

The Whistle Blower, the Investigation Subject, the Vigil Mechanism Committee and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
- b. not discuss the matter in any informal/social gatherings/meetings
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d. not keep the papers unattended anywhere at any time
- e. keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

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, frivolous or malicious, shall be liable to be prosecuted.

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 5 (five) years or such other period as specified by any other law in force, whichever is more.

REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.