El Forge Limited

WHISTLE BLOWER POLICY
(As approved by the Board of Directors on 29th September, 2014)

Introduction

The Company adheres to three core operating principles: Customer Orientation, Total Quality and ethical business practices. Thus, the Company believes in an organizational culture which is trust based, conducting the business in ethical and transparent manner with a commitment to compliance with law and no tolerance of misconduct. Code of Business conduct and Ethics helps to ensure compliance with legal requirements and standards of business conduct. The Board of Directors has adopted a code of business conduct and ethics for all Board members and Senior Management personnel that all members of management one level below executive directors including all functional heads. Executive Director (Finance) & Company Secretary is the compliance officer for the purposes of the code. The existing code deals with matters relating to honesty and integrity, conflict of interest, corporate opportunities, confidential information, protection of assets, regulations waivers and code of conduct for affirmative action.

Objectives of Whistle Blower Policy

The objectives of the Company's Whistle Blower policy are to establish policies and procedures for the following :

1. To enable stakeholders including individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices in the company, if any.

2. Reporting of concerns by directors and employees about unethical behaviiour, actual or suspected fraud of violation of the company's code of conduct or ethics policy or any other genuine concerns or grievances.

3. To provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the chairperson of the audit committee

Whistle Blower Policy in El Forge

Section 177(9) of the Companies Act, 2013 mandates the Company to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. The revised clause 49 of the Listing Agreement which becomes effect from 1.10.2014 vide Clause 49(1)(B)(e) requires the Company to devise whistle blower mechanism enabling shareholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. The clause mandates that the Company shall establish a vigil mechanism of directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct and ethics policy. The Companies Act, 2013 and Clause 49 require that such vigil mechanism shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. It is also required to provide the details of establishment of such mechanism on the company's website, if any, and in the Board's Report.

In view of the foregoing legal requirements, this Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee of the Company.

Definitions

"Whistle Blower" means an employee or a group of employees or any person who makes a Protected Disclosure under this policy and who is referred in this policy as Whistle Blower.

"Protected Disclosure" means any communication made in good faith and raises concerns, discloses information about illegal or unethical practices, unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or nay other genuine concerns or grievances in the Company.

"Investigators" means those persons authorised, appointed , consulted or approached by the Audit Committee including the law enforcement

Eligibility

The following persons are eligible under this policy to report their concerns as specified below

Persons Eligible

All Employees of the company and their representative bodies, stakeholders and directors are eligible to make Protected Disclosures under the Policy.

Matters which can be reported

About illegal or unethical practices, unethical behaviours, actual or suspected fraud or violation of the company's code of conduct or ethics policy or any other genuine concerns or grievances in the Company.

A whistle blower reporting a concern must act in good faith and have reasonable grounds for reporting.

Protection for Whistle Blower

The company understands that the success of this policy will depend on the company guaranteeing protection and confidentiality of the whistle blower. Accordingly, the company provides for the following protection to the whistle blowers.

a) This whistle blower policy is intended to encourage and enable the whistle blower to raise concerns within the organizations for investigation and appropriate action. Thus, no whistle blower who reports in good faith shall be subject to any adverse consequences or any kind of retaliation.

b) 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 prohibits any kind of discrimination, harassment, victimisation or any other unfair practice. The company treats victimisation as a serious matter including initialing disciplinary action against person(s) who victimise the whistle blower. Therefore, complete protection will be given to whistle blower against any unfair practice, attributable to the whistle blower lodging the protected disclosure like retaliation, treat of intimidation of termination / suspension of service, disciplinary action, demotion, refusal or promotion, discrimination, any type of harassment, biased behaviour 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 minimise the difficulties, which the whistle blower may experience as result of making the protected disclosure. No punitive action will be taken against any person or perceived reasons or suspicion of being a whistle blower.

c) Employees are assured that they will not be identified as the whistle blower and that the information received is truly confidential. The identity of the whistle blower shall always be kept confidential by the company, even after the matter is closed. Any other employee assisting I the said investigation or furnishing evidence shall also be protected to the same extent as the whistle blower.

Manner of reporting concerns by a Whistle Blower

The whistle blower shall ensure that that protected disclosure shall be factual and not speculative and should contain as much specific contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

The protected disclosure should be submitted in a closed and sealed envelope and should be superscribed as "Protected disclosure under whistle blower policy: The same can also be sent through email with the subject "Protected disclosure under whistle blower policy". If the compliant is not superscribed and sealed as mentioned above. It will not be possible for the Audit Committee to protect the whistle blower and the protected disclosure will be dealt with as if a normal disclosure.

All protected disclosures should be addressed to

Name & Address

Smt.R.Sowmithri
Secretary to the Audit Committee
21C, A.R.K.Colony,
Eldams Road, Alwarpet,
Chennai 600018

Email ID
edf@elforge.com

Directors can submit their concerns in writing directly to the chairperson of the audit committee

The whistle blower shall have right to access chairperson of the Audit Committee directly in exceptional cases and the chairperson of the Audit Committee is authorised to prescribe suitable directions in this regard.

Audit Committee

- All protected disclosures will be forwarded to the Audit Committee in accordance with the procedures set forth n this policy.

- The audit committee shall be responsible for investigating and making appropriate recommendations to the board of directors with respect to all reported concerns.

- The audit committee or board of directors will ensure that all reported concerns are taken seriously and investigated, addressed, and resolved.

Manner of handling the complaints

Upon receipt of the compliant, the Audit Committee or any person authorised by the audit committee shall confirm the receipt of the compliant to the whistle blower within 5 working days.

Investigations

1. All protected disclosures under this policy will be recorded and thoroughly investigated.
2. 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. The audit committee has the authority to retain outside legal counsel, auditors, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the compliant.
3. Subject persons against whom any compliant is made may be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation and will be given an opportunity of being heard.
4. The Audit Committee shall make a detailed written record of the protected disclosure, which will include the following:
    a) Detailed facts of the matter.
    b) Whether the same protected disclosure was raised previously by anyone, and if so, the outcome thereof
    c) Whether any protected disclosure was raised previously against the same person or on the same subject.
    d) The financial loss, which has been incurred / would have been incurred by the Company or any or any other impact on the company.
    e) Investigation and findings thereon of the Audit Committee;
    f) All the relevant papers / documents with respect to the matter raised in the compliant should be obtained by the Audit Committee and investigation into the compliant should be commenced immediately.

5. The Audit Committee shall complete its investigation and submit is findings, appropriate corrective action, recommendations on disciplinary / other actions and closure report within a reasonable period but not exceeding 90 days from the date of the receipt of the protected disclosure. The period of 90 days may be extended by such further period as the Audit Committee may deem fit having regard to the nature of the compliant.

Record of Complaints

The Audit Committee shall establish a system to monitor and track all reports from the initial stage to the closure.

Review of the Process

After implementation, the Audit Committee shall monitor and review the process to ensure the mechanism is operating effectively. Such monitoring and evaluation of the mechanism may also be done by a person who is independent of the mechanism, If the audit committee decided to do so. Reporting of deficiencies, if any and measures to address those deficiencies, will also be a part of monitoring and evaluation process.

The Company may provide training to the employees with respect to the use of the whistle blowing mechanism, as and when it deems fit.

Confidentiality

The whistle blower, the subject person against whom the compliant is made, the Audit Committee and such other persons involved in the process shall

- (a) Maintain complete confidentiality and secrecy of the compliant and matter relating thereto;
- (b) Not discuss the matter in any informal meetings, gatherings – social or otherwise etc.
- (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 email, electronic files duly protected with password;

If any one is found not complying with the above, he/she shall be held liable can be subjected such disciplinary actions as the audit committee may deem fit.

Retention documents

All protected disclosures along with the outcome of the investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified under any other law in force whichever is longer.

Reporting

A quarterly report with number of complaints received under the policy and their outcome shall be placed before the audit committee and the board.

Amendments

The Company will also evolve and amend this policy in response to the changing business and regulatory requirements.