WHISTLEBLOWER POLICY

ENGINEERING ADVANTAGE

WHISTLEBLOWER POLICY

PREFACE

The Directors and Employees are two important organs of any Company. The Companies Act, 2013 [the Act] as well as the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [LODR] require a company to set up a vigil mechanism. LODR states that a listed company must have a whistle blower policy. While under the Act, the vigil mechanism must be in place for directors and employees to report their genuine concerns, under LODR, stakeholders including employees and representative bodies must be able to freely communicate concerns about illegal and unethical practices which a listed entity may follow.

This Policy aims to meet these statutory and regulatory requirements.

NAME OF THE POLICY

This policy shall be known as the CAL - Whistleblower Policy.

AUTHORITY

This policy is issued under the authority of the Board of Directors of CAL, referred to as "the Company" or "CAL" as approved by a resolution passed at a meeting of the Board of Directors duly held on 24th May, 2018.

EFFECTIVE DATE

This policy shall come into force with effect from the Date of Listing, which shall be the date, an agreement that is entered into between a recognised stock exchange and an entity, on the application of that entity to the recognised stock exchange, undertaking to comply with conditions for listing of its shares.

OBJECTIVE

The Policy aims to lay down the framework and procedures for making available a mechanism for airing grievances and concerns of directors, employees and stakeholders and their representative bodies and for reporting or sharing information on any undesirable activities including any fraudulent, illegal, unethical or immoral activities or practices or any other wrongful conduct [Undesirable Activities or Practices] on the part of any director or employee acting for and on behalf of the Company. The Policy aims to ensure that director or employee or any other person who is entitled to use this mechanism to have access to Audit Committee of the Board and to provide direct access to chairman of Audit Committee and to ensure that information about this framework is duly disclosed in the website of the Company. Further it enables Audit

Committee to oversee the vigil mechanism and review the functioning of the same. The Policy aims to protect and provide safeguards to persons using the mechanism for reporting their grievances and concerns and to deal with cases of frivolous complaints by directors or employees and to reprimand them.

PREAMBLE

"Vigil Mechanism" forms part and parcel of this Policy and this Policy encompasses within its ambit Vigil Mechanism too and it shall be accordingly construed.

INTERPRETATION

- **"Company"** means, "Craftsman Automation Private Limited and its subsidiaries, whether in India or abroad and the term "subsidiaries" shall be construed within the meaning of the Act.
- **"Director"** shall be a person who is a member of the Board of Directors of the Company.
- **Employee**" means every employee of the Company and its subsidiaries (whether working in India or abroad)
- **"Good Faith":** An employee shall be deemed to be communicating in "good faith" if there is a reasonable basis for communication of any fraudulent, illegal, unethical or immoral activities or practices or any other wrongful conduct on the part of any director or employee acting for and on behalf of the Company.
- **"Persons entitled"** are the stakeholders including employees and their representative bodies, and directors.
- "**Policy or This Policy"** means "Whistleblower Policy."
- "**Protected Disclosure**" means a concern raised or complaint made in writing that discloses or demonstrates information that may give information and / or give evidence about any fraudulent or illegal or unethical or improper activity, whether presently happening or happened in the past including but not limited to instance of leak of of unpublished price sensitive information.
- "**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 under this Policy.
- "**Whistleblower**" is someone who makes a Protected Disclosure under this Policy, provided he is a "Person Entitled".

SCOPE

The Policy and the Vigil Mechanism creates and provides a framework for Persons Entitled to submit in writing, by stating identity and purpose of disclosure, about any fraudulent or illegal or unethical or improper activity, whether presently happening or happened in the past including but not limited to instance of leak of of unpublished price sensitive information that is connected to

the affairs of the Company without any fear of any retaliation or victimization and with due protection.Disclosures expressed anonymously will ordinarily not be investigated. The Policy provides for reprimanding persons who make frivolous complaints repeatedly.

THE FRAMEWORK

The framework operates online through a whistle blower e box as well as a physical sealed box that is installed at the corporate office.

Persons entitled may air their grievances or make complaints through sealed letters duly submitted by hand-delivery, courier or by post addressed to the Enquiry Officer or Agency appointed by the Company. Alternatively, Persons Entitled may send their grievances and complaints in email form too duly ensuring that they furnish all requisite particulars and details. They can forward their complaints the following email IDs:

disclosure@craftsmanautomation.com
disclosure.cmd@craftsmanautomation.com

Persons Entitled to give information or air grievances or make complaints can fill up mandatory fields / giving mandatory information and affirming that nothing stated therein is exaggerated or untrue and further affirming that he or she is giving the information or airing grievance or making complaint in good faith for the best interests of the company duly setting out and disclosing the nature of grievances or practices, and further furnishing the names of persons of involved in the practices and place of occurrence and any other information that will be most essential to understand the gravity of the situation and the losses if any that is being suffered by the company as a result of such practices including reputation loss.

PROTECTION AND SAFEGUARDS

Every person who uses the Vigil Mechanism and acts as a Whistle Blower will be thoroughly protected. They will have direct access to the Audit Committee through the Chairman of the Audit Committee. They will be duly safeguarded and there will be no victimization.

In case any Person Entitled faces any retaliatory action or threats of retaliatory action as a result of making a Protected Disclosure, he shall directly access the Chairman of the Audit Committee and report the incident. The Chairman of the Audit Committee is duty bound to bring it up before the Audit Committee of the Board as soon as may be possible and ensure that the Person Entitled receives such safeguards and protective measures as the Audit Committee may stipulate and further ensure that necessary action as envisaged under this Policy is duly and expeditiously taken. Every person who is found to have taken such retaliatory or victimizing action shall be liable to such punishment which may include termination of employment with or without forfeiture of retirement benefits including gratuity.

Nothing contained in this Policy shall be deemed to protect a Person Entitled from facing any disciplinary or other action if upon investigation it becomes clear that he was part and parcel of the activity against which he has preferred the complaint.

Any director / officer / staff or any other employee or external agency that makes enquiries or conducts investigation shall also be duly protected.

GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so.
- Treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimization
- Ensure complete confidentiality.
- Provide direct access to Chairman of the Audit Committee.
- Not attempt to conceal evidence of the Protected Disclosure
- Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made.
- Provide an opportunity of being heard to the persons involved especially to the Subject.

ACCOUNTABILITIES – ENQUIRY OFFICER OR AGENCY

- Conduct the enquiry in a fair, unbiased manner
- Ensure complete fact-finding
- Maintain strict confidentiality
- Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- Recommend to the Audit Committee of the Board of Directors any appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures

RIGHTS OF A SUBJECT

- Subjects have the right to be heard and the Enquiry Officer or Agency or the Committee must give adequate time and opportunity for the subject to communicate his/her say on the matter;

- Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process.

ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with the enquiries and investigation of “Protected Disclosures" are considered confidential information and access thereof will be restricted to the “Persons Entitled” who have submitted the Complaint and to the Enquiry Officer appointed for the specific purpose of making enquiries and carrying out investigations in relation to any particular complaint. Upon completion of enquiry and investigation and closure of the matter, the papers, reports and records pertaining to each case shall be kept sealed and in the custody of the Managing Director of the Company or any other officer of the Company if the issue itself concerns Managing Director.

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 07 years.

REPORTS AND REVIEW

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Enquiry Officer and / or Enquiry Agency and the corrective actions taken shall be placed before the Audit Committee of the Board of Directors of the Company.

The Audit Committee shall establish viable and simple procedure for making enquiries and investigation including summoning the attendance of Subjects and witnesses and for requiring production of evidence. Audit Committee may from time to time appoint any person of reasonable experience and integrity including any in house or external professional as Enquiry Officer or Agency to carry out the official enquiry and investigation and for reporting results thereof for being presented to the Board of Directors applying the materiality criteria.

The Audit Committee shall have powers to review from time to time the Vigil Mechanism and the Whistle Blower Policy

ROLE OF INDEPENDENT DIRECTORS

The Independent directors of the company should ascertain and ensure that the company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

DISCLOSURES

The Company shall give full details of establishment of the vigil mechanism and post the Policy in its website. The website should be functional. Under the “Corporate Governance Report” to be added as part of Board’s Report issued by the Board of Directors of the Company pursuant to

Section 134 of the Act, under the heading “Other Disclosures” the Company shall furnish full details of establishment of vigil mechanism, whistle blower policy. In addition, there shall be an affirmation that no Person Entitled has been denied access to the audit committee.

THE PROCESS

- The Enquiry Officer shall acknowledge receipt of the Disclosure as soon as practical (preferably within 07 days of receipt of a Disclosure), where the Whistleblower has provided his/her contact details.

- The Enquiry Officer will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure indicate that Undesirable Activities or Practices have been happening or had happened.

- If the Enquiry Officer determines that Undesirable Activities or Practices have happened, he shall record this finding with reasons and communicate the same to the Whistleblower and he shall proceed conduct such enquiry and investigation as he may deem fit for the purpose of exactly identifying the persons involved, purpose thereof, period of occurrence, immediate damage control steps to be taken, the need to place under suspension of persons who have perpetrated or who have been perpetrating Undesirable Activities or Practices and other actions to be initiated. He is entitled to issue proper notices and summon the persons concerned or issue summons to produce records. He shall determine losses if any occurred to the Company.

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

- If he finds criminal offences have been done, he shall recommend such legal action as he may deem fit and for this purpose he is entitled to seek legal opinion or assistance of experts including forensic auditors.

- The CMD of the Company may, at his discretion, participate in the investigations of any Disclosure.

- The Audit Committee shall lay down proper procedures with respect to the enquiries and investigations depending upon the gravity of the Undesirable Activities or Practices.

- Whilst it may be difficult for the Enquiry Officer to keep the Whistleblower regularly updated on the progress of the investigations, he will keep the Whistleblower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.

The Enquiry Officer or Agency will ensure action on the recommendations of the Audit Committee/ Officer and keep the Whistleblower informed of the same. Though no timeframe is being specified

for such action, the Company will endeavor to act as quickly as possible in cases of proved Malpractice.

BOARD'S POWERS

The Board of Directors of the Company is entitled to amend, suspend or rescind this policy at any time. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of Corporate Governance.

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