

YUKEN INDIA LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY

PREAMBLE

Provisions of section 177 of the Companies Act, 2013 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *inter alia*, provides for a mandatory requirement for all the listed companies to establish a Vigil Mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

In compliance with the above requirements, Yuken India Limited (YIL), being a Listed Company has established a Vigil Mechanism and formulated Whistle Blower Policy in order to provide a framework for responsible and secure mechanism.

POLICY OBJECTIVES

The Whistle Blower Policy aims at providing a channel to the Directors and employees to report their genuine concerns about any instances of unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy.

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 or fraud to come forward and express without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

DEFINITIONS

"Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Code" means Code of Conduct prescribed for Directors, Senior Managerial Personnel, Heads of all the departments and Third Parties of the Company.

“Company” means Yuken India Limited.

“Employee” means every employee of the Company including Directors in the employment of the Company.

“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. Protected Disclosures should be factual and not speculative in nature.

“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.

“Vigilance Officer/Vigilance Committee or Committee” is a person or Committee of persons, nominated/appointed 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.

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

SCOPE

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the Company and covers disclosure of any unethical and improper activities or malpractices and events which have taken place/ suspected to take place, such as:

1. Misuse or abuse of authority;
2. Fraud or suspected fraud;
3. Breach of the Company’s Code of Conduct;
4. Breach of terms and conditions of employment and rules thereof;
5. Intentional financial irregularities, including fraud, or suspected fraud;
6. Deliberate violation of Company rules;
7. Manipulation of Company data/records;
8. Pilferation of confidential/propriety information;
9. Misappropriation/wastage of Company funds/assets; and
10. Gross or willful negligence causing substantial and specific danger to health, safety and environment.

ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible, after 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.

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**” or sent through email with the subject “**Protected disclosure under the Whistle Blower Policy**”. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if it is a normal disclosure. All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

Contact details of the Chairman of the Audit Committee are as under:

Name and Address: R Srinivasan,
Dhanya, 126,
Nandidurg Road,
Bangalore - 560046
Karnataka.

Email: rsri126@gmail.com

Contact details of the Vigilance Officer are as under:

Name and Address: Mr. HM Narasinga Rao, CFO & Vice President-Finance,
PB No. 5, Koppathimmanahalli Village, Malur-Hosur
Main Road, Malur Taluk, Kolar District – 563 130

Email: hmn_rao@yukenindia.com

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

Anonymous / pseudonymous disclosures shall not be entertained by the Vigilance Officer.

On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

He 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. The record will include:

- Brief facts;
- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- Details of actions taken by Vigilance Officer for processing the complaint;
- Findings of the Audit Committee; and
- The recommendations of the Audit Committee/ other action(s).

INVESTIGATION

All Protected Disclosures reported under this Policy will be recorded and thoroughly investigated by the authorized officers who will carry out / oversee the investigation under the authorization of the Chairman of the Audit Committee / Vigilance Officer.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving 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.

Subjects will be given reasonable opportunity of being heard during the investigation unless there are compelling reasons for not doing so. No allegation against a Subject shall be considered as maintainable unless there is genuine evidence in support of the allegation.

Subjects shall have the duty to co-operate with the investigating officers / authorities during the investigation to the extent that such co-operation sought does not merely require them to admit guilt.

Subjects shall have the right to have access any document / information for their legitimate needs to clarify / defend themselves in the process of investigation.

Subjects shall have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witness shall not be influenced, threatened or intimidated by the Subjects.

Subjects shall have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subjects shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

The identity of the Subject will be kept confidential to the extent possible given the legitimate needs of the investigation.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern/interest forthwith and shall not deal with the matter.

DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee 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 adhere to the applicable personnel or staff conduct and disciplinary procedures.

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

A quarterly report about

- (a) the functioning of the Whistle Blower Policy and
- (b) the status of the complaints received if any during the period

should be placed before the Audit Committee.

CONFIDENTIALITY

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and every other person involved in the process are expected to:

- (a) maintain confidentiality of all the relevant matters under this Policy,
- (b) discuss only to the extent or with those persons as required under this policy for completing the process of investigations,
- (c) keep the papers in safe custody and
- (d) keep the electronic mails / finder under password.

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. The Company condemns any kind of discrimination, harassment, victimization or any other unfair practice being adopted against Whistle Blowers. Complete protection will therefore, be provided to Whistle Blowers against any unfair practice such as 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/performance his/her duties including making further Protected Disclosure. Adequate safeguards against victimization of complainants shall be provided. 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.

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.

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 he is authorized to prescribe suitable directions in this regard.

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

AMENDMENTS

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever and such amendment or modification will be binding on the Directors and employees of the Company.