

**Krystal Integrated Services Limited**

**Vigil Mechanism and Whistle Blower Policy**

**Effective Date: 15<sup>th</sup> September, 2023**

**A. Introduction**

1. This policy is applicable to Krystal Integrated Services Limited and all its subsidiaries whether located in India or outside.
2. The Company is committed to foster an environment of honest and open communications and discussions.
3. Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations') and Section 177 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 provides that all Listed Companies are required to establish a Vigil Mechanism for Directors and Employees to report genuine concerns.
4. Regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations") requires the Company to formulate a whistle blower policy to enable Employees to report instances of leak of Unpublished Price Sensitive Information.
5. Accordingly, the Company has established a vigil (whistle blower) mechanism and has formulated this Whistle Blower Policy ("Policy") in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.
6. This Policy will help the Company to maintain and encourage high moral standards, financial integrity, transparency and good governance in its business dealings.

**B. Definitions**

- a. "Employee" means every full-time and part-time employee of the Company or of its Subsidiaries (whether working in India or abroad), as well as all temporary workers, consultants and contractors involved in conducting the Company's/Subsidiary's business.
- b. "Good faith": An Employee or a Director shall be deemed to be communicating in "good faith" if there is a reasonable basis for Disclosure. Good faith shall be deemed lacking when the Employee or Director does not have personal knowledge on a factual basis for the Disclosure or when the Employee or Director knew or reasonably should have known that the Disclosure is malicious, false or frivolous.
- c. "Malicious Complaints" means complaints which are mala fide, frivolous, baseless, false or malicious or where the same is reported otherwise than in Good Faith.
- d. "Disclosure" means a communication made under this Policy in good faith that:
  - a) discloses information which evidences; or
  - b) expresses genuine and verifiable concerns or grievances relating to; any unethical behavior, actual or suspected fraud, violation of the Company's Code of Conduct, or any malpractice, illegal or improper activity or conduct, in or relating to the Company.
- e. "Subject" means a person against or in respect of whom a Disclosure has been made or evidence gathered during the course of an investigation.

- f. Unpublished Price Sensitive Information or UPSI – shall have the meaning as defined in the SEBI Regulations, as per which, it means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available is likely to materially affect the price of the securities and shall ordinarily include but not be restricted to information relating to:
- (i) financial results;
  - (ii) dividends;
  - (iii) changes in capital structure;
  - (iv) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and
  - (v) changes in key managerial personnel.
- g. "Whistle Blower" means a person making a Disclosure under this Policy.

### **C. Objectives**

1. This Policy provides a channel for all Employees and Directors to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and / or any instances of leak of unpublished price sensitive information.
2. The Company is committed to maintain and encourage high moral standards, financial integrity, transparency and good governance in all its business dealings. In order to maintain these standards, the Company encourages its Employees and Directors who have genuine concerns about suspected misconduct or instances of leak of unpublished price sensitive information, to be fearless and come forward and express these concerns without fear of retaliation.
3. The Company recognizes that some breaches can be extremely sensitive, which may deter Employees and Directors from sharing them. This Policy acts as a supplementary channel to normal management hierarchy for all Employees irrespective of their position to raise concerns.
4. The mechanism provides safeguards in case of retaliation against whistle blowers who avail of this mechanism and also provides for direct access to the investigating team of the Company. However, this does not release Employees from their duty of confidentiality in their course of work, nor can it be used as a route for any malicious complaints.

### **D. Coverage of Policy**

The Policy covers all known or suspected misconduct, malpractices and all unethical, illegal or improper activities which have taken place/suspected to have taken place, including but not limited to the following:

1. Abuse of authority;
2. Negligence causing substantial and specific danger to public health and safety;
3. Financial irregularities including fraud or suspected fraud;
4. Criminal offence;
5. Pilferation of confidential/proprietary information;
6. Misappropriation of company funds/property;

7. Breach of Code of Conduct of the Company;
8. Harassment of any kind, including Sexual Harassment;
9. Any instances of leak of Unpublished Price Sensitive Information;
10. Violation of laws and regulations of any jurisdiction in which the Company or its subsidiaries operate;
11. Any other unethical or immoral or illegal events.

#### **E. Role of Whistle Blowers**

1. Employees and Directors are duty-bound to act as Whistle Blowers, and report any known or suspected misconduct, malpractices and all unethical, illegal or improper activities which have taken place/suspected to have taken place. By reporting misconduct, the Company can take appropriate action to fix a problem before it becomes a larger liability for the Company.
2. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle Blowers provide initial information related to a reasonable belief that an improper or unethical practice has occurred.
3. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the investigators.
4. Disclosure will be appropriately dealt with by the investigators.

#### **F. Eligibility**

1. All Employees and Directors are eligible to make Disclosures under this Policy. The Disclosures shall be in relation to matters concerning the Company or its Employees or Directors.
2. Without prejudice to this general rule, the investigators or the Audit Committee of the Board shall be entitled, but not obliged, to consider any communication as a Disclosure even if such communication is received from a person other than an Employee or a Director PROVIDED THAT where such communication is so considered, such person shall be treated as a Whistle Blower under this Policy and shall abide by the terms of this Policy.

#### **G. Disqualifications**

1. 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 by making malicious complaints will warrant strict disciplinary action.
2. In case of Whistle Blowers, who make three or more Disclosures, which have been subsequently found to be malicious complaints, any subsequent Disclosure made by them will not be considered under this Policy, unless the Audit Committee in its discretion, decides otherwise. Further, such Whistle Blowers shall be subject to disciplinary action under this Policy for each malicious complaint.

## **H. Procedure to be followed**

All Disclosures should be made in following manner:

1. Whistleblowers may make Disclosure to the Chairperson of the Audit Committee or to any of the Directors nominated to the Audit Committee.

The email ID of the Chairperson of the Audit Committee designated for this purpose is vijayarwal.ca@gmail.com.

2. Complaints related to leak of UPSI shall be addressed to the Compliance Officer under the Company's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in Securities of the Company and/or Chief Investor Relations Officer under the Code for Fair Disclosure of Information and Determination of Materiality.
3. The Disclosure should be submitted:
  - a. under a covering letter addressed to the Chairperson of the Audit Committee signed by the Whistle Blower in a closed and secured envelope, disclosing his/her full identity, and should be superscripted as "Disclosure under the Whistle Blower Policy"; or
  - b. through email to the Designated Email ID, with the subject "Disclosure under the whistle blower policy";
4. A copy of the communication should not be marked to anyone in the Company.
5. A Whistleblower may make a Disclosure by contacting the Chairman of the Audit Committee as under:

**Audit Committee Chairperson,  
Krystal Integrated Services Limited  
Address: 2001 & 2002, 20th floor, Kohinoor Square,  
Shivaji Park, Dadar West,  
Mumbai - 400028  
Email ID: 'vijayarwal.ca@gmail.com'**

6. Disclosures must be factual and not speculative in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure. Adequate evidence supporting the disclosure would facilitate quicker processing.

## **I. Investigation**

- 1) All Disclosures reported under this Policy will be recorded and thoroughly investigated by the investigators.
- 2) If required for investigation, further information or particulars from the Whistle Blower may be called for.

- 3) The decision to conduct an investigation is not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- 4) The identity of the Subject and the Whistle Blower shall be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 5) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 6) Subjects shall have a duty to co-operate with the investigators during the investigation.
- 7) Subjects shall not interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- 8) Subjects and investigators will keep their conversations confidential, along with the status of investigation, findings and any discipline that is administered.
- 9) Unless there are compelling reasons not to do so, Subjects will be given an opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- 10) Subjects shall be informed of the outcome of the investigation.
- 11) The investigators shall make best efforts to complete the investigation at the earliest.

#### **J. Protection of Whistle Blowers**

1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted. Complete protection will be given to the Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, demotion, transfer, 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 Disclosure. The Company will take all reasonable steps to minimize difficulties which the Whistle Blower may experience.
2. The Company shall keep confidential the identity of the Whistle Blower, so as to encourage the Whistle Blower to provide inputs without any hesitation for the present as well as future.
3. Any other Employees assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

#### **K. Investigators**

1. All investigators shall be unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
2. Investigations will be launched only after a preliminary review by the investigators which establishes that:
  - a. The alleged act constitutes a malpractice or an illegal, improper or unethical activity or conduct, and;

- b. The allegation is supported by information specific enough to be investigated;
- c. In cases where the allegation is not supported by enough information, the investigators shall exercise discretion to conduct the investigation. In this regard, the investigators shall have free and unfettered access to the Chairman of the Audit Committee who shall provide such guidance and assistance as the investigators may require to facilitate a fair and independent investigation.

#### **L. Reporting**

The investigators, after completing its investigation, shall submit a confidential report to the Chairman of the Audit Committee. All such reports shall be placed before the Audit Committee by its Chairman, for its review and recommendations

#### **M. Decision**

- i. If the investigation leads to the conclusion that a malpractice or an illegal, improper or unethical act has been committed, and based on the review and recommendations of the Audit Committee, the Chairperson of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as it deems fit, in accordance with the Company's Code of Conduct as established by the Human Resources department.
- ii. The management shall periodically report to the Audit Committee the status of implementation of its recommendations until the implementation is completed.
- iii. If the Whistle Blower makes a Disclosure bona fide and in good faith, which is not confirmed by the investigation, no action shall be taken against the Whistle Blower.
- iv. Any Whistle Blower who makes a malicious complaint of the Subjects shall be subject to such disciplinary action as the Audit Committee may approve.

#### **N. General**

This Policy shall be subject to laws and regulatory requirements of every jurisdiction in which the Company or its subsidiaries operate. The Company reserves its right to amend or modify this Policy in whole or in part, at any time to comply with applicable regulatory requirements or otherwise. The Audit Committee shall retain for a period of seven years all records relating to any Disclosure and the investigation thereof.

#### **O. Queries / Questions**

Any queries / questions regarding this policy may be addressed to the investigators.

#### **P. 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 unless approved by the Audit Committee and Board of Directors of the Company and the modified Policy being placed on the website of the Company.

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