



# **KOCHI SALEM PIPELINE PVT. LTD**

## **VIGIL MECHANISM POLICY**

Approved during the Board meeting held on 29.07.2016 and amended during the Board meeting held on 02.05.2018, 30.03.2021, 13.05.2022 and circular resolution no.

KSPPL/CIR/1120 dated 24.02.2025

A handwritten signature or mark, possibly a stylized 'S' or 'K', is located in the bottom right corner of the page.

## **INDEX**

<b>SI No.</b>	<b>Particulars</b>	<b>Page No.</b>
1	INTRODUCTION	3
2	PREFACE	3
3	POLICY OBJECTIVES	4
4	DEFINITIONS	4
5	SCOPE	6
6	ELIGIBILITY	7
7	RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES	7
8	INVESTIGATION/DECISION AND REPORTING	9
9	SECRECY / CONFIDENTIALITY	13
10	PROTECTION	14
11	DISQUALIFICATIONS	14
12	ACCESS TO THE NOMINATED DIRECTOR	15
13	COMMUNICATION	15
14	RETENTION OF DOCUMENTS	15
15	AMENDMENT	15



## **1. INTRODUCTION**

Kochi Salem Pipeline Private Limited (KSPPL), a Joint Venture of Bharat Petroleum Corporation Limited and Indian Oil Corporation Limited incorporated on 22.01.2015, as a private limited Company under the Companies Act, 2013.

## **2. PREFACE**

**2.1** Kochi Salem Pipeline Private Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

**2.2** Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a Vigil Mechanism for its directors and employees to report their genuine concerns or grievances:

(i) Every Listed Company;

(ii) Every other Company which accepts deposits from the public;

(iii) Every Company which has borrowed money from banks and public financial institutions in excess of fifty crore rupees.

**2.3** According to the above rules the companies which are required to constitute an audit committee shall oversee the vigil mechanism through the committee. In case of other companies, the Board of directors shall nominate a director to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

**2.4** A vigil mechanism not only helps to detect fraud in organizations, but is also used as a corporate governance tool, which prevents and deters fraudulent activity.

**2.5** Accordingly, this Vigil Mechanism has been formulated with a view to provide a mechanism for Directors and Employees of the Company to report their genuine concerns or grievances in such manner as provided in the Policy and to approach the Nominated Director in exceptional cases.

**2.6** The Policy is approved by the Board of Directors of the Company at its meeting held on July 29, 2016 and shall effective from July 29, 2016.

### **3. POLICY OBJECTIVES**

**3.1** In line with the commitment and statutory requirement, KSPPL has established Vigil Mechanism for the same.

**3.2** This Vigil Mechanism has been framed with a view to provide a mechanism for Directors and employees of KSPPL to report genuine concerns about unethical behaviour, actual or suspected frauds, any violations of legal/regulatory requirements or policy of the Company, incorrect or misrepresentation of any financial statements and reports etc.

**3.3** The purpose of this Policy is to encourage KSPPL's employees and Directors who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The policy aims to provide an opportunity for employees and Directors to raise concerns and reassure them that they will be protected from reprisals or victimization for whistle blowing in good faith.

### **4. DEFINITIONS :**

The definitions of the key terms used in this Policy are given below.

**4.1 "Board"** means the Board of Directors of the Company.

**4.2 "Company"** means the "Kochi Salem Pipeline Private Limited" and all its offices.

**4.3 "Director"** means every Director of the Company Nominated by the promoters.



**4.4 "Employee"** means every employee of the Company including deputationists from promoters.

**4.5 "Ethics Counsellor"** means an officer appointed to receive Protected Disclosures from Whistle Blowers, maintaining records thereof, placing the same before the Board for its disposal and informing the Whistle Blower the result thereof.

The HR Manager of the Company shall act as "Ethics Counsellor" of the Company.

**4.6 "Investigators"** mean those persons authorised, appointed, consulted or approached by the Ethics Counsellor / the Nominated Director including the Auditors of the Company and the Police.

**4.7 "Protected Disclosure"** means a written communication made in good faith by Director, employee or group of employees that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or any improper activity with respect to the Company. However, the protected Disclosure should be factual and not speculative or in the nature of an interpretation/conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

**4.8 "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.

**4.9 "Whistle Blower"** is an employee/director or group of employees/directors who make a Protected Disclosure under this Policy and also referred to in this policy as complainant.

**4.10 "Nominated Director"** means the Director appointed by the Board of Directors to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns in pursuance of Rule 7(3) of the Companies (Meetings of Board and its powers) Rules 2014.

## 5. SCOPE

The employees and directors of KSPPL are eligible to make Protected Disclosures under the Policy. An employee/director can avail of the channel provided by this Policy for raising an issue covered under this Policy.

The Policy covers malpractices and events which have taken place/suspected to take place including but not limited to the following:

- Abuse of authority/ misuse of Power
- Breach of contract
- Negligence causing substantial financial loss and specific danger to public health and safety
- Manipulation of KSPPL data/records/accounts/reports
- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- Any unlawful act whether Criminal/ Civil
- Pilferage of confidential/propriety information
- Deliberate violation of law/regulation
- Misappropriation of funds/assets
- Deliberate violation of Rules/Code of Conduct/Policy
- Any matter or activity on account of which the interest of the Company is affected

However, this policy neither releases employees/directors 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 against people in authority and / or colleagues in general. Further, it should not be used as a route for taking up a grievance about a personal situation.

## **6. ELIGIBILITY**

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

## **7. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES**

**7.1** 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 in English/Hindi or regional language of the place of employment of the whistle blower.

**7.2** The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as **"Protected disclosure under the Vigil mechanism policy"**.

Alternatively, the same can also be sent through email with the subject **"Protected disclosure under the Vigil mechanism policy"**.

**7.3** In order to protect identity of the whistle blower, the Ethics Counsellor /Nominated Director will not issue any acknowledgement to the complainant(s) and the complainant are advised neither to write their name/address on the envelope nor to enter into any further correspondence. The Ethics Counsellor / Nominated Director shall assure that in case any further clarification is required they will get in touch with the complainant.

**7.4** Unidentified/Anonymous/Pseudonymous disclosure shall not be entertained by the Ethics Counsellor / Nominated Director.

**7.5** The Protected Disclosure should be forwarded under a covering letter signed by the complainant i.e. the Protected Disclosure and its covering letter should be separate to ensure that the identity of the Complainant remains secured and confidential. The Protected Disclosure should not be signed by the Complainant. The Ethics Counsellor / Nominated Director, as

signed by the Complainant. The Ethics Counsellor / Nominated Director, as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

**7.6** Protected Disclosures should be factual and not speculative or 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.

**7.7** All Protected Disclosures should be addressed to the Ethics Counsellor of the Company or to the Nominated Director, as stated below:-

a) Any Protected Disclosure against any employee of the Company shall be addressed to the Ethics Counsellor of the Company.

b) Any Protected Disclosure against any Directors/ Ethics Counsellor of the Company (except the Nominated Director) should be addressed to the Nominated Director.

c) Any Protected Disclosure against the Nominated Director should be addressed to the Ethics Counsellor of the Company.

**7.8** The contact details of the Ethics Counsellor and the Nominated Director are as under:-

*Ethics Counsellor:-*

*Shri. Selvam V M , H R Manager*

*Kochi Salem Pipeline Pvt. Ltd*

*Malayil Majesty Buildings*

*Room No. 174-G, Second Floor*

*Near Railway Over bridge*

*Refinery Road, Trippunithura*

*Ernakulam-682301*

*E-mail: selvam@ksppl.com*

*Nominated Director:-*

*Shri. N M Bhalerao*

*Executive Director (Finance)*

*Indian Oil Corporation Limited*

*Pipelines Head office, Indian Oil Bhavan*

*A-1, Udyog Marg, Sector - 1, Noida - 201 301.*

*E-mail: bhaleraonm@indianoil.in*



**7.9** On receipt of the Protected Disclosure, the Ethics Counsellor / the Nominated Director, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the Whistle Blower 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 Ethics Counsellor / Nominated Director for processing the said complaint;
- Findings of the Nominated Director and Board on the said complaint;
- The recommendations of the Board/other action(s) on said complaint.

The Ethics Counsellor / Nominated Director, if deems fit, may call for further information or particulars from the Whistle Blower.


## **8. INVESTIGATION/DECISION AND REPORTING**

**8.1** Any Protected Disclosure against any employee of the Company:-

- a. All Protected Disclosures reported under this category will be recorded and thoroughly investigated by the Ethics Counsellor.
- b. Ethics Counsellor, if found the need of further investigations through investigators, will investigate/oversee the investigations after the authorization of the Nominated Director.
- c. Technical and other resources may be drawn upon as necessary to augment the investigation.
- d. All external Investigators shall be independent and unbiased both in fact and as perceived.



- e.** The decision to conduct an investigation is by itself not an allegation and is to be treated as a neutral fact finding process.
- f.** Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- g.** Subject(s) shall have a duty to co-operate with the Ethics Counsellor or any investigators appointed by them in this regard.
- h.** Subject(s) have a right to consult with a person or persons of their choice, other than the Ethics Counsellor /Nominated Director/Investigators. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- i.** Subject(s) have a right to be heard and the Ethics Counsellor must give adequate time and opportunities for the subject to communicate his/her say in the matter.
- j.** Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- k.** Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- l.** Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject(s) should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject(s) and the Company.
- m.** The Ethics Counsellor shall complete the investigation normally within 60 days of the receipt of the Protected Disclosure and is extendable by such period as the Board deems fit and the investigation report shall be submitted to the Nominated Director within such time.
- n.** If the nominee Director concludes that an improper or unethical act has been committed, he shall recommend to the Board of Directors of



the Company to take such disciplinary or corrective action as it may deem fit.

- o.** For the purpose, the Nominated Director along with the report of external Investigators, if referred to external Investigators, shall submit a report to the Board of Directors.
- p.** 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 CDA rules of KSPPL.

**8.2 Any Protected Disclosure against any Directors/ Ethics Counsellor of the Company:-**

- a.** All Protected Disclosures reported under this category will be recorded and thoroughly investigated by the Nominated Director.
- b.** The Nominated Director, if deem fit may call for involving other investigators either by forming a special Purpose Committee or investigators for the purpose of investigation.
- c.** Technical and other resources may be drawn upon as necessary to augment the investigation.
- d.** All external Investigators shall be independent and unbiased both in fact and as perceived.
- e.** The decision to conduct an investigation is by itself not an allegation and is to be treated as a neutral fact finding process.
- f.** Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- g.** Subject(s) shall have a duty to co-operate with the Nominated director or any investigators appointed by them in this regard.
- h.** Subject(s) have a right to consult with a person or persons of their choice, other than the Ethics Counsellor /Nominated Director/Investigators. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

- i. Subject(s) have a right to be heard and the Nominated Director must give adequate time and opportunities for the subject to communicate his/her say in the matter.
- j. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- k. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- l. Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject(s) should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject(s) and the Company.
- m. The Nominated Director shall complete the investigation normally within 60 days of the receipt of the Protected Disclosure and is extendable by such period as the Board deems fit.
- q. If the nominee Director concludes that an improper or unethical act has been committed he shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.
- r. For the purpose, the Nominated Director along with the report of external Investigators, if referred to external Investigators, shall submit a report to the Board of Directors.
- s. 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 CDA rules of KSPPL in case of Protected Disclosure against Ethics Counsellor.

### **8.3 Any Protected Disclosure against the Nominated Director:-**

- a. All Protected Disclosures reported under this category will be forwarded to the Board by the Ethics Counsellor for deciding the course of action.





- b.** If the Board concludes that an improper or unethical act has been committed, Board can take such disciplinary or corrective action as it may deem fit.
- c.** 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.
- d.** Subjects have a right to be informed of the outcome of the investigation.
- e.** If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

## **9. SECRECY / CONFIDENTIALITY**

The Whistle Blower, Ethics Counsellor, Members of Board, the Subject(s) and everybody involved in the process shall:

- Maintain confidentiality of all matters under this Policy
- Discuss only to the extent or with those persons as required under this policy for completing the process of investigations on need to know basis.
- Not keep the papers unattended anywhere at any time
- Keep the electronic mails (email) / files under password



## **10. PROTECTION**

**10.1** No unfair treatment will be meted out to a Whistle Blower(s) by virtue of his/her having reported a Protected Disclosure under this Policy.

**10.2** For the purpose of providing protection to Whistle Blower(s), the Whistle Blower(s) should disclose his/her identity in covering letter forwarding such Protected Disclosure.

**10.3** The identity of the Whistle Blower(s) shall be kept confidential unless otherwise required by law, and in which case the Whistle Blower(s) would be informed accordingly.

**10.4** Any other employee or director assisting in the said investigation shall also be protected to the same extent as the Whistle Blower(s).

**10.5** Adequate measures shall be taken by the Board in case of any victimization is reported by the Ethics Counsellor or Nominated Director with them in the course of discharge of their respective roles and responsibilities.

## **11. DISQUALIFICATIONS**

**11.1** While it will be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as set out in this policy and any abuse of this protection will warrant disciplinary action.

**11.2** 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.

**11.3** Whistle Blower(s) who make three or more Protected Disclosures, which have been subsequently found to be mala-fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosure under this Policy. In respect of such Whistle Blower(s), the Board would reserve its right to take appropriate disciplinary actions.

## **12. ACCESS TO THE NOMINATED DIRECTOR**

The Whistle Blower shall have right to access the Nominated Director directly in exceptional cases and the Nominated Director is authorized to prescribe suitable directions in this regard.

## **13. COMMUNICATION**

A Whistle Blower Policy cannot be effective unless it is properly communicated to employees. All employees/Directors shall be suitably notified of the existence and contents of this policy. In case of new employees, the same will be informed by the HR department.

## **14. 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 five years or such other period as specified by any other law for the time being in force.

## **15. AMENDMENT**

The Board 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 on the directors and employees unless the same is notified to the directors and employees in writing.

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*



A handwritten signature in blue ink, appearing to be 'JP G', written over a horizontal line.