

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Krsnaa Diagnostics Ltd.

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VIGIL MECHANISM AND WHISTLE BLOWER POLICY

1. INTRODUCTION

- I. Krsnaa Diagnostics Limited ("**Company**") is committed to comply with various applicable laws, satisfying the Company's code of conduct and ethics, and particularly to assure that the business is conducted with integrity and that the Company's financial information is accurate. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company seeks to create an environment free of unfair practices and unethical conduct by laying down the highest standards of conduct for its employees, to ensure their overall professional growth, and to set industry benchmarks for fair practices.
- II. The Company is committed to maintaining an ethical workplace that facilitates the reporting of potential violations of the Company's policies and the applicable laws. Consequently, the Company has established its Vigil Mechanism and Whistle Blower Policy ("**Policy**") to supplement the code of conduct and anti-fraud policy of the Company. Through this Policy, the Company intends to encourage its employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company.
- III. The Whistle Blowing or reporting mechanism set out in the Policy invites all employees to act responsibly to uphold the reputation of the Company. The Policy aims to provide a mechanism to ensure that concerns are properly raised, appropriately investigated and addressed. The Company recognizes this mechanism as an important enabling factor in administering good governance practices.
- IV. The Policy complies with the requirements of the vigil mechanism as envisaged by Section 177 of the Companies Act, 2013 and the rules framed thereunder ("**Act**"). Further, Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Regulations**") provides for a mandatory requirement for all listed companies to establish a mechanism to report genuine concerns to the corporation.
- V. This Policy should not be used in place of the Company grievance procedure or be used as a route for raising malicious or unfounded allegations against colleagues.

2. PURPOSE

The Company is committed to ensure compliance of all the applicable laws, and the policies and procedures framed by it from time to time, as approved by the Board of Directors of the Company.

The purpose of this Policy is to provide a framework for all the Directors and employees of the Company report their genuine concerns of actual / potential violations of the Company's Code of Conduct and unethical behavior to the designated officials of the Company fearlessly. This Policy is aligned with the provisions provided under Section 177 of the Act the Rules made thereunder, and Regulation 22 of the Regulations as amended from time to time, along with other applicable laws.

Furthermore, the Company also provides assurance to the directors and employees that prompt action will be taken to investigate all complaints made in good faith.

3. DEFINITIONS:

- I. **"Audit Committee"** means, the Committee of the Board of Directors of the Company constituted under Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which shall include any modification(s) or amendment(s) thereof.
- II. **"Board of Directors"** means the Directors of the Company.
- III. **"Compliance Officer"** means the Company Secretary of the Company who shall be designated as Compliance Officer pursuant to Regulation 6 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- IV. **"Disciplinary Action"** means, any action that can be taken on the completion of / during the investigation proceedings including but not limiting to.
- V. **"Employee(s)"** means all individuals on full-time or part-time employment, permanent, probationary, trainee, retainer, temporary or contractual appointment and includes the Board of Directors of the Company, its subsidiary Companies and associate Companies.
- VI. **"Policy"** means the Policy set out under this document to establish a Vigil Mechanism and Whistle Blower Policy for the Company.
- VII. **"Protected Disclosure"** means a concern expressed through a written communication made in good faith that reveals or shows information which may indicate unethical behaviour, improper conduct, actual or suspected fraud, or violations of the Company's Code of Conduct. This disclosure should be based on facts rather than speculation or personal interpretation, and it should include as much

specific information and reasonable evidence as possible to facilitate a proper evaluation of the nature and seriousness of the concern; and

VIII. **“Whistleblower”** means an Employee or director or any stakeholder making a Protected Disclosure under this Policy.

IX. Words and expressions used and not defined in this Policy shall have the meaning as described in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act, 2013 and rules and regulations made thereunder.

4. APPLICABILITY

This Policy applies to all Employees and Stakeholders of the Company.

5. COVERAGE OF POLICY

A Whistleblower can complain about the following issues under this policy. The list of issues classified under **“Reportable Matter”** or **“Alleged Misconduct”** is indicative and is not all inclusive.

Alleged misconduct may include, but is not limited to the following:

- I. Forgery, falsification or alteration of documents.
- II. Unauthorized alteration or manipulation of computer files /data.
- III. Fraudulent reporting, wilful material misrepresentation.
- IV. Pursuit of benefit or advantage in violation of the Company’s policies.
- V. Instances of leak of Unpublished Price Sensitive Information as per SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended and Company’s Code of Conduct.
- VI. Misappropriation/misuse of Company's resources viz; funds, supplies, vehicles or other assets.
- VII. Authorizing/receiving compensation for goods not received/ services not performed.
- VIII. Authorizing or receiving compensation for hours not worked.
- IX. Improper use of authority for personal gains.
- X. Unauthorized Release of Proprietary Information.
- XI. Financial irregularities, including fraud, or suspected fraud.
- XII. Manipulation of company data /records;
- XIII. Deliberate violation of law/regulation/ legal obligation;
- XIV. Breach of contract.
- XV. Theft of Cash.
- XVI. Theft of Goods/Services.
- XVII. Unauthorized Discounts.
- XVIII. Breach of Company’s Code of Conduct
- XIX. Criminal Activity

- XX. Giving and / or accepting, bribes, expensive gifts, directly or indirectly from business connections including clients, patients, vendors/Suppliers and Contractors contravention of Code of Conduct policy.
- XXI. Deliberate violation of law/regulation.
- XXII. Any other unethical, biased, favored, imprudent action.

6. DISQUALIFICATION

This Policy should not be misused by any person to make frivolous or malicious or bogus disclosures to the Ethics Committee and /or the Audit Committee.

Whistle Blowers, who make a minimum of 2 (two) Protected Disclosures, which have been subsequently found to be frivolous or bogus with *mala fide* intent, will be disqualified from reporting further Protected Disclosures under this Policy for such period as the Ethics Committee or Chairperson of the Audit Committee may decide. The Ethics Committee and / or the Chairman of the Audit Committee may impose a penalty or decide that Disciplinary Action may be taken against such Whistle Blowers.

7. PROCEDURE FOR MAKING PROTECTED DISCLOSURE

I. Employees:

Employees can make Protected Disclosures to the Ethics Committee, on becoming aware of any wrongful conduct or activity or leak of any Unpublished Price Sensitive Information (“UPSI”), as soon as possible through any of the channels mentioned in Point V (C) of this Policy.

II. Stakeholders:

Stakeholders can make Protected Disclosures to the Ethics Committee, on becoming aware of any wrongful conduct or activity or leak of any UPSI as soon as possible through any of the following channels.

III. Reporting Channel:

- a) In the form of a letter (handwritten or typed) written in English, Hindi or in the regional language of the place of employment of the Whistle Blower. It should be marked as private and confidential and sent to the below mentioned address:

Ethics Committee, Krsnaa Diagnostics Limited

S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka
– Haveli, Pune Maharashtra 411019

- b) In the form of an email and shall be e-mailed at the following email id, which shall be accessed by the Ethics Committee ombudsperson@krsnaa.in.

- c) Protected Disclosures can also be reported orally to the Ethics Committee. Oral reports will be subsequently documented by the Ethics Committee for onward investigation.

IV. Procedure:

- a) If a protected disclosure is received by any other employee of the Company other than the Ethics Committee, the same should be forwarded immediately to the Ethics Committee for further appropriate action. Such Employee should not disclose the identity of Whistle Blower and Protected Disclosure made to anyone other than Ethics Committee and appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- b) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised.
- c) The Company encourages and strongly recommends that the Whistle Blower discloses his/her name in the Protected Disclosure.
- d) The Company encourages and strongly recommends that the Protected Disclosure contains necessary and relevant details of the fraud or misconduct or suspected fraud or misconduct or any other unfair practice including, the name and designation of the employees or any other person who have engaged or who may have engaged, in the opinion of the Whistle Blower, in the misconduct or fraud or any other unfair practice or leak of UPSI, name and contact number of the Whistle Blower (if the complaint is not intended to be filed anonymously), information or copy(ies) of the documentary proof or evidence in support of the complaint, if any and the impact/effect, either monetary or otherwise, on the Company, if possible; and
- e) In the following circumstances the Protected Disclosure can be made directly to the Chairperson of the Audit Committee of the Board of Directors of the Company.
- i. If the Whistle Blower is of the opinion or has a reasonable doubt that the Ethics Committee or the Investigating Officer are part of the Protected Disclosure or
 - ii. In exceptional circumstances, where the matter is of grave nature,
 - iii. The Disclosure can be made to the Chairperson of the Audit Committee of the Board of Directors at the following address:

Chairperson of the Audit Committee of the Board of Directors of Krsnaa Diagnostics Limited, S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka – Haveli, Pune Maharashtra 411019.
ombudsperson@krsnaa.in

8. INVESTIGATION

a) For Protected Disclosures received by Ethics Committee

Ethics Committee will make an initial enquiry of Protected Disclosure received by them. If an initial enquiry by the Ethics Committee confirms that the Protected Disclosure has no basis, or it is not a matter to be taken up for investigation under this Policy, the Protected Disclosure may be dismissed, and the decision will be documented for future reference.

If the initial inquiry by the Ethics Committee, indicates that the matter disclosed under Protected Disclosure needs to be investigated further, they may order investigation and inquiry and appoint such person or persons as they may consider necessary for conducting the investigation (hereinafter referred to as "Investigation Officer").

b) For Protected Disclosures received by Chairperson of the Audit Committee

The Chairperson of the Audit Committee will make an initial enquiry of Protected Disclosure received by him/her. If an initial enquiry by the Chairperson of the Audit Committee confirms that the Protected Disclosure has no basis, or it is not a matter to be taken up for investigation under this Policy, the Protected Disclosure may be dismissed, and the decision will be documented for future reference.

If the initial inquiry by the Chairperson of the Audit Committee, indicates that the matter disclosed under Protected Disclosure needs to be investigated further, Chairperson of the Audit Committee may order investigation and inquiry and appoint such person or persons as they he/she may consider necessary for conducting the investigation (hereinafter referred to as "Investigation Officer")

c) Investigation Procedure

- i. The inquiry/ investigation shall be conducted in a fair manner and provide an equal opportunity for hearing to the affected party.
- ii. The Investigation Officer shall hold inquiry in the matter and shall submit a report to Ethics Committee / Chairperson of the Audit Committee not later than 45 days from the date on which the Protected Disclosure was received by the Ethics Committee Chairperson of Audit Committee. The Investigation Officer may seek an extension for submitting the report to the Ethics Committee / Chairperson of Audit Committee for a further period of 30 days or such other period, which may be allowed at the discretion of the Ethics Committee / Chairperson of Audit Committee provided that there is sufficient cause shown by the Investigation officer for extending the time period.
- iii. The Whistle Blower is expected to co-operate with the Investigation Officer, when the matter is under inquiry and is expected to disclose such information or provide documents as may be required for the purpose of the investigation.
- iv. The Investigation Officer may appoint external advisers as consultants to assist them in the inquiry, if necessary.

- v. On submission of report, the Ethics Committee / Chairperson of Audit Committee may:
- a) In case the Protected Disclosure is proved, order such Disciplinary Action as the Ethics Committee / Chairperson of the Audit Committee may think fit and may order adoption of preventive measures to avoid recurrence of the matter

Or

Depending upon the seriousness of the matter, may refer the matter to the Audit Committee of the Company with its recommendations. The Audit Committee may order such Disciplinary Action, with or without modifications to recommendations of the Ethics Committee, as it may deem fit and may order adoption of preventive measures to avoid reoccurrence of the matter.

A summary of all Disciplinary Actions taken by the Ethics Committee / Chairperson of the Audit Committee must be reported periodically to the Audit Committee and the Board of Directors of the Company. In the case of an employee in a subsidiary, the summary must also be reported to the Audit Committee of the Subsidiary Company and if Audit Committee is not constituted then Board of the Subsidiary Company.

- b) In case the Protected Disclosure is not proved, close the matter, and record the investigation findings for future reference.

9. PROTECTION

- I. It shall be ensured that the Whistle Blower, if he/she is an Employee, shall be protected from any adverse action which may include but is not limited to unfair termination of employment, demotion, suspension, decision not to promote, unwarranted performance rating, harassment, biased behaviour, withholding of salary, imposition of transfer or re- assignment, denial of rewards, leave, benefits for which he/she is eligible, or any other significant changes in the job; which may arise solely out of him/her making the Protected Disclosure or due to the ongoing investigation or on report being submitted to the Ethics Committee.
- II. It shall be ensured that the Whistle Blower, shall be protected from any adverse action which may include but is not limited to unfair termination of the contract, unfair withholding the payments due, non- acceptance of the goods sent by the vendors for delivery or any other unfair act which may arise solely out of the concerned person making the Protected Disclosure or due to ongoing investigation or on report being submitted to the Ethics Committee.
- III. Protection under this Policy would not mean protection from disciplinary / penal 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 and shall not preclude the Company and Ethics Committee to initiate action against such person.

- IV. The identity of the Whistle Blower shall be kept confidential. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.
- V. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- VI. In case of occurrence of any adverse action towards the Whistle Blower being an Employee or any other stakeholder, he/she shall directly have the right to approach the Chairperson of the Audit Committee.

10. SECRECY/CONFIDENTIALITY

The Whistle Blower, the Ethics Committee, the Investigation Officer and any other person involved in the investigation shall maintain complete confidentiality secrecy of the matter, other than if required by any applicable law. If any Employee is found not complying with the above, he/she shall be held liable for such disciplinary action as is considered fit by Ethics Committee.

11. AMENDMENTS

The Company is dedicated to regularly assess and update its policies and procedures. Consequently, this policy may be amended from time to time subject to Board approval and in compliance with applicable laws and regulations. This policy and any further modifications/ amendments to the same shall be promptly disclosed on the Company's website and filed in accordance with the applicable laws and regulations.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the Effective Date as laid down under such amendment(s), clarification(s), circular(s) etc.