

# POLICY ON VIGIL MECHANISM/ WHISTLE BLOWER MECHANISM

# INTRODUCTION AND PURPOSE:

The provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates a listed entity to constitute a vigil mechanism for Directors and employees to report genuine concerns.

Further, Regulation 4(2)(d) and Regulation 22(1) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, inter alia provides for a mandatory requirement for all listed companies to establish a mechanism called the 'Vigil/ Whistle Blower Mechanism' for Directors, Employees and other Stakeholders to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

In terms of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations"), including any amendment thereto, the Company is required to formulate a Whistle Blower Policy to enable employees to report instances of leak of Unpublished Price Sensitive information ("UPSI"). The Company has adopted a code of Fair Disclosure and Code of Conduct ("Insider Trading Code") as required under Insider Trading Regulations, which lays down the practices and procedures that governs fair disclosures of UPSI by the Company and regulate and monitor the conduct of designated persons (as defined in the Insider Trading Code) while dealing in the securities of the Company.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blower mechanism and provide for adequate safeguards against victimization of persons who use such mechanism and shall also contain provisions for direct access to the chairman of the Audit Committee in exceptional cases.

In purview of the above, Bharat Gears Limited ("BGL"), being a Listed Company proposes to establish a Whistle Blower Policy/Vigil Mechanism and adopt a policy for the same.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.



A Vigil (Whistle Blower) mechanism provides a channel to the Employees, Directors and any other person who avails such mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees, Directors and any other person who avails such mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This Policy intends to cover serious concerns that could have gave impact on the operations and performance of the business of the Company and malpractices and events which have taken place/suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, suspected leakage of Unpublished Price Sensitive Information (UPSI) or violation of the Insider Trading Code adopted by the Company, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

#### SCOPE:

This Policy is applicable to the Company and all its direct and indirect subsidiaries and covers all their employees and directors whether working in India or elsewhere. The Policy also extends to all consultants, vendors, suppliers, dealers, customers and contractors working for and/or on behalf of any of the Group entities. There are no exclusions of this Policy.

Any allegation which may fall within the scope of the concerns identified below will be considered and investigated accordingly. These "concerns" would include but are not restricted to following:

- Inaccuracy in maintaining and/or manipulating the Company's books of accounts and financial records, confidential information;
- Financial misappropriation and fraud including suspected fraud.
- Misappropriation or fraud while procuring goods or services for the Company.
- Conflict of interest.
- False expense reimbursement.
- Misuse of Company's assets and resources, position, power or authority for personal gain.
- Inappropriate sharing of Company's sensitive information.
- Corruption and bribery.
- Unfair trade practices and anti-competitive behavior.
- Non-adherence to the Code of Conduct including applicable laws/regulations and policies/procedures of BGL suppressing or trying to suppress such misconduct.
- Nonadherence to safety guidelines.
- Any leak or suspected leak of unpublished price sensitive information.

 Any other matter or activity which may affect the interest or reputation of the Company.

#### POLICY DESCRIPTION:

The Whistle Blower may raise a concern in good faith that discloses or demonstrates information that may evidence unethical behavior or improper activity and it will be dealt with appropriately by the Audit Committee.

Nevertheless, any significant issue which individuals may feel is in the Group's interest to resolve, whether it technically falls within the definition above, should be reported internally in accordance with this Policy.

The Whistle Blowers' role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finder of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. 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 person investigating the matter.

#### **DEFINITIONS**

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

- "Alleged wrongful conduct" shall mean violation of law, infringement of Company's code of conduct or ethics policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 which has the primary responsibility to oversee and supervise the development and implementation of this policy.
- "Any Other Person" means any other person other than directors and employees who avails the mechanism.
- \* "Board" means the Board of Directors of the Company.
- "Chairman" means the Chairman of the Board of Directors of the Company.
- "Code" means the Code of Conduct for the Directors and Senior Management Personnel (as defined in the Code) adopted by Bharat Gears Limited.

- "Company" means Bharat Gears Limited and all its offices.
- "Compliance Officer" means "Company Secretary" of the Company.
- \* "Employees" means all employees, Directors, Officers or Workers of the Company on full time employment with the Company, whether unionized or non-unionized, in permanent, probationary, trainee, retainer, temporary or contractual appointments.
- "Exceptional Cases" shall mean the following situations:
  - complaints received against Senior Management or Key Managerial Personnel or Board of Directors of the Company;
  - ii. Disclosures which relates to Unpublished Price Sensitive Information;
  - iii. High risk protected disclosures;
  - iv. Protected Disclosures made to the chairperson of the Audit Committee
- "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 within the Company. Protected disclosure 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.
- "Unethical & improper practices" shall mean:
  - An act, which does not confirm to approved standard of social and professional behavior.
  - An act which leads to unethical business practices;
  - Improper refers to unethical conduct;
  - · Breach of etiquette or morally offensive behavior, etc.
- "Unpublished Price Sensitive Information" means any information, relating to the 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 including but not restricted to, information relating to the following:
  - i. Financial Results;
  - ii. Dividends:
  - iii. Change in Capital Structure;
  - iv. Mergers, De-mergers, Acquisitions, Delistings, Disposals and Expansion of Business and such other transactions;
  - v. Changes in Key Managerial Personnel.

"Whistle Blower" is an employee or a group of employees or any other person who makes a Protected Disclosure under this Policy.

# 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 under Company's Code of Conduct.

# RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

- All Protected Disclosures should be reported in writing by the complainant as soon as
  possible after the Whistle Blower becomes aware of the same to ensure a clear
  understanding of the issues raised and should either be typed or written in a legible
  handwriting in English.
- 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".
- Alternatively, the same can also be sent through e-mail with the subject "Protected Disclosure under the Whistle Blower Policy".
- If the complaint is not super scribed and closed as mentioned above, it will not be
  possible for Compliance officer/Chairman/Audit Committee to protect the complainant,
  and the protected disclosure will be dealt with as if a normal disclosure.
- To protect the identity of the complainant, the Compliance Officer will not issue any
  acknowledgement to the complainants, and they are advised neither to write their
  name/address on the envelope nor enter any further correspondence with the
  Compliance Officer. The Compliance Officer should ensure that if any further clarification
  is required, he will get in touch with the complainant.
- Anonymous/Pseudonymous disclosure shall not be entertained by the Compliance Officer.

- The Protected Disclosure should be forwarded under a cover letter signed by the complainant. The Compliance Officer/Chairman/Chairman of the Audit Committee/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- All Protected Disclosures should be addressed to the Compliance Officer of the Company or to the Chairman of the Audit Committee/ Chairman in exceptional cases at the following address: -

The Compliance Officer
Bharat Gears Limited
20 K.M. Mathura Road,
P.O. Amar Nagar,
Faridabad- 121003
Email- whistleblower@bglindia.com

 Protected Disclosure against the Compliance Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman of the Company should be addressed to the Chairman of the Audit Committee at the following address:

Address of Chairman:-

Mr. Surinder Paul Kanwar Bharat Gears Limited 20 K.M. Mathura Road, P.O. Amar Nagar, Faridabad- 121003

Email- spkanwar@bharatgears.com

Address of the Chairman of the Audit Committee:-

The Chairman
Audit Committee
Bharat Gears Limited
20 K.M. Mathura Road,
P.O. Amar Nagar,
Faridabad- 121003

Email- secretarial@bglindia.com

On receipt of the protected disclosure the Compliance Officer/Chairman/Chairman of the Audit Committee shall make a record of the Protected Disclosure and ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out an initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

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

The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

Protected Disclosures should be factual and not speculative or in 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.

# **INVESTIGATION**

- All protected disclosures under this policy will be recorded and thoroughly investigated.
   The Compliance officer/Chairman/Chairman of Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact-finding process.
- 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.
- Subject(s) shall have a duty to co-operate with the Compliance Officer/Chairman/ Chairman of Audit Committee or any of the Officers appointed by it in this regard.
- 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).
- 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
  wrongdoing against a subject(s) shall be considered as maintainable unless there is
  good evidence in support of the allegation.



- Subject(s) have a right to be informed of the outcome of the investigations. 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.
- 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.

#### DECISION

- If an investigation leads the Compliance Officer/Chairman/Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Compliance Officer/Chairman/Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject because of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- In case the Subject is the Chairman of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- If the report of the investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Compliance Officer or the Chairman or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.
- In case of complaint related to leak of UPSI or suspected leak of UPSI, the Inquiry
  procedure and disciplinary action procedure as stated in Leak of UPSI Policy shall be
  adhered to and followed with.

#### REPORTING

The Compliance officer/Chairman shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

#### SECRECY/CONFIDENTIALITY

The Complainant, Compliance Officer, Chairman, Members of Audit Committee, the Subject and everybody involved in the process shall:

- a) Maintain confidentiality of all 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) Not keep the papers unattended anywhere at any time.
- d) Keep the electronic mails/files 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, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like 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 to perform his duties/functions including making further Protected Disclosure. 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.
- A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he/she himself/herself has made either his/her details public or disclosed his/her identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy.
- Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- Provided however that the complainant before making a complaint has reasonable belief
  that an issue exists and he/she has acted in good faith. Any complaint not made in good
  faith as assessed as such by the Audit Committee shall be viewed seriously and the
  complainant shall be subject to disciplinary action as per the Rules/certified standing
  orders of the Company. This policy does not protect an employee from an adverse



action taken independent of his/her disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

#### INTERPRETATION

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or any other SEBI Regulation(s) as amended from time to time.

### ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee 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 minimum period of seven years or such other period as specified by any other law in force, whichever is more.

### ADMINISTRATION AND REVIEW OF THE POLICY

The Chairman shall be responsible for the administration, interpretation, application and review of this policy. The Chairman also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

### **NOTIFICATION**

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. The new employees shall be informed about the policy by the HR department.

This policy as amended from time to time shall be made available at the website of the Company.

# **DISCLOSURE IN ANNUAL REPORT**

The details of establishment of Whistle Blower Mechanism/Vigil Mechanism shall be disclosed by the Company in its Annual Report under the "Board's Report".



#### ANNUAL AFFIRMATION

The Company shall annually affirm that it has not denied access by any Director or Employee, to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action.

The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

### LIMITATION AND AMENDMENTS

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall mandatorily apply to this Policy.

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 on the Employees and Directors unless the same is notified to them in writing.

### **ROLES AND RESPONSIBILITIES:**

- The leadership team ensures the policy is integrated into the company's overall strategy and business decisions
- The audit committee leads the execution of the policy across all facilities and departments.

Date	01-04-2014	
Rev. No	04	
First date of revision	29-10-2015	
Second date of of revision	29-01-2016	
Third date of of revision	29-01-2020	
Fourth date of of revision	24-01-2025	

Chairman and Managing Director

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