

WHISTLE BLOWER POLICY

V-GUARD INDUSTRIES LIMITED

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Document Title	Whistle Blower Policy
Owner	Secretarial Department
Version	Version 4
Distribution	Electronic/ Hard Copies/ Upload on the Website
Date of First Approval	November 01, 2011
Amended on	November 04, 2014, May 29, 2019
Effective Date	January 28, 2025



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1. INTRODUCTION

This policy formalizes V-Guard's commitment to provide Whistle Blowers an avenue to raise concerns in circumstances where they believe that anyone in the organization is engaged in inappropriate practices prejudicial to the interests of organization or not in line with the policies/ or culture of the organization.

A Vigil Mechanism provides a channel to the Whistle Blowers to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or Policies formulated and adapted by the Company or any applicable laws.

The Mechanism provides for adequate safeguards against victimization of Whistle Blower who can also use this mechanism for reporting genuine concerns. It provides whistle blowers with direct access to the Chairperson of the Audit Committee.

2. PREFACE

Section 177 of the Companies Act, 2013 (CA 2013) read with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") *inter alia*, provides, for all listed companies to establish a mechanism called "Whistle Blower" enabling Stakeholders including individual employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or any other matter covered under this Policy.

The Company believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour and the Company has formulated this policy to uphold the above principles in its activities. Directors and employees of the Company are duty-bound to practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

This policy provides a framework to promote responsible and secure whistleblowing. It aims to safeguard Employees, Directors and/ or Whistle Blowers from reprisals or victimization for whistleblowing in good faith.

Nevertheless, 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.

3. DEFINITIONS

- a. **"Alleged wrongful conduct"** shall mean violation of law, contravention of Company's Codes of Conduct, policies and rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- b. **"Audit Committee"** means a Committee constituted by the Board of Directors of the Company in accordance with the Companies Act, 2013 and SEBI Listing Regulations.



- c. **“Board”** means the Board of Directors of the Company.
- d. **“Chairperson of the Audit Committee”** means the Director acting as the Chairperson of the Committee.
- e. **“Disciplinary Action”** means any action that can be taken on the completion of/ during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- f. **“Employee/s”** means all the existing employees whether permanent or temporary or contractual and Whole Time Directors of the Company (whether working in India or abroad).
- g. **“Good Faith”** means that an employee has a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct.
- h. **“Protected Disclosure”** means a concern/complaint raised in good faith by an employee or group of employees of the Company, through a written or email communication.
- i. **“Ombudsperson”** means a person appointed as Chairperson of Audit Committee or such other person as may be decided by the Board from time to time.
- j. **“SEBI”** means Securities and Exchange Board of India.
- k. **“SEBI Listing Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- l. **“Subject”** means a person or group of persons against whom or in re a whistle blower complaint is made
- m. **“Whistle Blower”** is an employee or group of employees, Director, vendor and other business partners who raise a complaint under this Policy and also referred in this Policy as complainant.

4. THE GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- a. ensure that the Whistle Blower is not victimized for doing so;
- b. treat victimization as a serious matter including initiating disciplinary action on such person(s);



- c. ensure complete confidentiality;
- d. not attempt to conceal evidence of the complainant;
- e. take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosure made/to be made;
- f. provide an opportunity of being heard to the persons involved especially to the Subject;

5. POLICY OBJECTIVE

- 5.1. The Company is committed to developing a culture where it is safe for all employees and other stakeholders to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 5.2. 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 Whistle Blower who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
- 5.3. A Vigil Mechanism provides a channel to the Whistle Blower to report concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy.
- 5.4. The mechanism provides for adequate safeguards against victimization of Whistle Blower.
- 5.5. This policy neither releases Whistle Blower 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.

6. COVERAGE OF POLICY

This Policy covers any illegal, unethical or improper activity, malpractices and any event of misconduct which has taken place/ suspected to take place involving but not limited to:

- a. Committing of a criminal offence;
- b. A violation of any law;
- c. Breach of a legal or regulatory requirements;
- d. Breach of Contract;
- e. Any illegal activities ;
- f. Breach of a Company business policy and procedure including abuse of authority;
- g. Any action likely to seriously/ adversely impact the health, safety, human rights or well-being of an individual or group of people;
- h. Any action likely to impact the credibility and image of the Company;
- i. Any event which will cause damage to the environment;
- j. Wastage or misappropriation of the Company's resources;
- k. Gender discrimination/ victimization;
- l. Bribes or kickbacks;



- m. Acts involving theft, fraud, coercion, wilful omission or any other form of corruption;
- n. Manipulation of Company data/ records;
- o. Financial Irregularities including Fraud/ Suspected Fraud;
- p. Any other unethical, biased favoured, imprudent act;
- q. Disclosure of confidential/ proprietary information to any outsider;
- r. Breach of Employees' Code of Conduct;
- s. Leakage of Unpublished Price Sensitive Information ("UPSI")
- t. Any other illegal/ unethical/ biased/ favoured/ fraudulent activities.

This Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against any person.

7. 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 intentional 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 have been subsequently found to have made *mala fide*, frivolous, baseless, malicious complaints other than in good faith shall face disciplinary action under Company's code of conduct.

8. MANNER IN WHICH CONCERNS CAN BE RAISED

- 8.1. If the complaint relates to a specific fact/ incident, the complainant must lodge the complaint within 60 days from the date s/he became aware of such fact/incident. However, Ombudsperson may accept the complaint after the expiry of 60 days in exceptional circumstances. Ombudsperson can be reached at whistle.blower@vguard.in.
- 8.2. All complaints by whistle blower should be reported in writing/email as soon as possible after the Whistle Blower becomes aware of the issue, so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi or Malayalam.
- 8.3. The Whistle Blower may indicate his/her name, contact details and relationship with the Company in the complaint. Relevant supporting documents/ evidence and a brief background must form an integral part of the written complaint.
- 8.4. The Protected Disclosure should be submitted to Ombudsperson in a closed and secured envelope at the registered office of the Company i.e. 42/962, Vennala High School Road, Vennala, Ernakulam - 682028. If the complaint is not in closed and secured envelope, it will not be possible for the Audit Committee to protect the complainant, and the protected



disclosure will be dealt with as if a normal disclosure. Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy" at whistleblower@vguard.in.

- 8.5. The Whistle Blower shall exercise caution before lodging a complaint to ensure that s/he is not doing so under influence of any person and/or any past incidence. The Whistle Blower shall be entitled to withdraw his/her complaint within 30 days from the date of lodgement with appropriate explanations in writing to the satisfactions of the Ombudsperson, as the case may be. In case the complaint is found to be frivolous, action will be taken against the complainant.
- 8.6. In order to protect identity of the complainant, the Ombudsperson will not issue any acknowledgement to the complainants and complainants are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Ombudsperson. The Ombudsperson shall assure that in case any further clarification is required, he/she will get in touch with the complainant.
- 8.7. Anonymous / Pseudonymous complaints without reasonable evidence may not be entertained by the Ombudsperson on his/her discretion.
- 8.8. If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigated under this Policy, it may be dismissed at this stage and the decision shall be documented.
- 8.9. Where initial enquiries indicate that further investigation is necessary, this will be carried by Ombudsperson. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- 8.10. It is ensured that the name of the Whistle Blower shall not be disclosed to any person.
- 8.11. The Ombudsperson may appoint internal employees or external advisers as consultants to assist him/her in the inquiry, if necessary.
 - (i) The Ombudsperson or any other person appointed by him/her shall make a detailed written record of the complaint. The record will include:
 - a. Facts of the matter;
 - b. Whether the same complaint was raised previously by anyone, and if so the outcome thereof;
 - c. Whether any complaint was raised previously against the same Subject;
 - d. The financial/ otherwise loss which has been incurred/ would have been incurred by the Company;
 - e. Findings of Ombudsperson or any other person appointed by him/her;
 - f. The recommendations of the Ombudsperson or Audit Committee on disciplinary/ other action(s).



9. INVESTIGATION PROCEDURE

- 9.1. All complaints received under this policy will be recorded and thoroughly investigated. The Ombudsperson or Audit Committee may investigate and may at its discretion consider involving any other Officer(s) of the Company and/ or an outside agency for the purpose of investigation.
- 9.2. The inquiry/ investigation shall be conducted in a fair and transparent manner and provide an equal opportunity for hearing to the Subject.
- 9.3. On receipt of a complaint by the Ombudsperson, he/ she may on evaluating the seriousness of the Complaint, inquire the matter himself/herself or appoint any officer(s) of the Company or external investigator.
- 9.4. The Ombudsperson or any other person appointed by him/her shall hold inquiry in the matter and shall submit a report to Audit Committee/Chairperson of the Audit Committee (if applicable), as the case maybe, not later than 60 days from the date on which the complaint was received by Ombudsperson. Extension for submitting the report for a further period of 30 days or such other period may be allowed at the discretion of the Audit Committee/Chairperson of Audit Committee, as the case may be, provided that there is sufficient cause shown for extending the time period.
- 9.5. In case the Protected Disclosure is against the Director/ Key Managerial Personnel/Senior Management of the Company or the complaints which are of grave or exceptional nature, the Chairperson 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. The Audit Committee shall complete the investigation and submit the report normally within 90 days from the date of the receipt of Protected Disclosure. The report shall be placed before the Audit Committee and/ or the Board of Directors.
- 9.6. The Whistle Blower (if identifiable) is expected to co-operate in the Investigation, 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.
- 9.7. 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).
- 9.8. 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.



9.9. After completion of investigation the Ombudsperson shall:

- a. In case the complaint is not proved, extinguish the matter;
- b. In case the complaint is proved, depending upon the seriousness of the matter Ombudsperson shall take such Disciplinary Action as he/ she may think fit and take preventive measures to avoid reoccurrence of the matter or refer the matter to the Audit Committee with proposed disciplinary action/ counter measures;
- c. The Audit Committee may take such Disciplinary Action as it may think fit and take preventive measures to avoid reoccurrence of the matter or if thinks fit, may further refer the matter to the Board of Directors for necessary action with its proposal.

10. PROTECTION

- 10.1. 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 himself has made his details public or disclosed his 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 against the person or agency revealing such information. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 10.2. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.
- 10.3. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this Policy.
- 10.4. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. The complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/ her duties/ functions including making further Protected Disclosure.
- 10.5. The complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Ombudsperson or Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action. This policy does not protect Whistle Blower from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.



11. SECRECY/ CONFIDENTIALITY

The Whistle Blower, the Subject, the Ombudsperson, Audit Committee and everyone involved in the process shall:

- i. maintain complete confidentiality/ secrecy of the matter;
- ii. not discuss the matter in any informal/ social gatherings/ meetings;
- iii. discuss only to the extent or with those persons required under this policy for the purpose of completing the process of investigations;
- iv. not keep the papers unattended anywhere at any time;
- v. keep the electronic mails/ files under password.

If anyone is found not complying with the above, he /she shall be held liable for such disciplinary action as is considered fit.

12. REPORTING

The Chairperson of the Audit Committee shall submit a quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board, if required.

THE COMPANY SHALL ANNUALLY AFFIRM THAT IT HAS NOT DENIED ANY PERSONNEL ACCESS TO THE AUDIT COMMITTEE OF THE COMPANY IN RESPECT OF MATTERS INVOLVING ALLEGED MISCONDUCT AND THAT IT HAS PROVIDED PROTECTION TO "WHISTLE BLOWERS" FROM UNFAIR TERMINATION AND OTHER UNFAIR OR PREJUDICIAL EMPLOYMENT PRACTICES. SUCH AFFIRMATION SHALL FORM A PART OF THE BOARD REPORT ON CORPORATE GOVERNANCE THAT IS REQUIRED TO BE PREPARED AND SUBMITTED TOGETHER WITH THE ANNUAL REPORT.

13. RETENTION OF DOCUMENTS

All Protected disclosures documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

14. REVIEW AND AMENDMENT

The Audit Committee shall from time to time review the functioning of the Whistle Blower mechanism.

The Board of Directors will review and may amend or modify this Policy, as may be required from time to time, in whole or in part, in accordance with the CA 2013 and Listing Regulations and any



further amendments and notifications as may be made effective in this regard. Any subsequent notification, circular, guidelines or amendments under CA 2013 and Listing Regulations as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this policy. The Board may also amend this policy without assigning any reason whatsoever and communicating the same to the concerned by uploading it on the website of the Company.

15. DISCLAIMER

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the newly enacted law, rule, regulation or standard will take precedence over this Policy until such time the Policy is changed to conform to the law, rule, regulation or standard.