

## WHISTLEBLOWER POLICY AND VIGIL MECHANISM

### I. Background and Purpose:

- a) Company is committed to the highest standards of ethics and integrity and believes in the conduct of affairs in a fair and transparent manner by adopting highest standards of professionalism, integrity, honesty and ethical behavior and adherence to laws.

This is demonstrated by the various policies, which establish the standards for professional and personal conduct for Employees and spells out the corrective measures for addressing any deviance from the laid-down standards. These policies do not specifically deal with financial impropriety, mismanagement, violations of law etc. The Company is equally committed to developing a culture wherein it is safe for all employees to raise concerns about any financial impropriator, mismanagement, violations of law etc.

This Whistleblower Policy has been formulated to address the above referred gap, and with a view to give protection to persons who disclose such alleged wrong doings, so that they report the same without any fear of victimization or adverse action. The confidentiality of whistle blower is maintained to the greatest extent.

This policy governs and provides guidance to employees and others for reporting and investigating of allegations of financial irregularities and/or gross misconduct.

- b) Section 177(9) of the Companies Act, 2013 mandates every listed company to constitute a vigil mechanism for directors and employees to report genuine concerns in such manner as prescribed vide the rules framed there under. As per Section 177 (10) of the Companies Act, 2013 the vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimization of director(s) or employee(s) who use such mechanism and make provisions for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.
- c) Further, Clause 49 of the Listing Agreement with the Stock Exchanges has been recently amended which inter-alia provides for a mandatory requirement for all listed companies to establish a mechanism called the "Whistle Blower Policy" for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.
- d) Accordingly, this Whistle Blower Policy and Vigil Mechanism (the "Policy") has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Ombudsman Chairman of the Audit Committee of the Company.

- e) The Policy neither releases directors or employees from their duty of confidentiality in the course of their work, nor is it a route for taking up any grievance about a person or official situation.

## II. Definitions:

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

1. **“Alleged Wrongful Conduct”** means violation of law, mismanagement of affairs, financial irregularity, actual or suspected fraud, any infringement of SAL’s code of conduct and business ethics, or abuse of authority by any Employee and Director, unethical behavior or other genuine concerns or grievances, save and except abuse of authority and/or wrongful conduct dealt with under Sexual Harassment.
2. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Stock Exchanges.
3. **“Business Day”** means any day (other than Saturday and Sunday or a public holiday) on which Company’s offices are open for business.
4. **“Competent Authority”** shall have the meaning assigned to it under Paragraph IV of this Policy.
5. **“Complaint”** means a Complaint submitted in writing by a Whistleblower under and in terms of the provisions this Policy.
6. **“Director”** means directors appointed on the Board of the Company including executive, non-executive, independent and nominee directors..
7. **“Employee”** means every employee (whether temporary or permanent) .
8. **“Good Faith”** means the belief of the Whistleblower that the Complaint is true, correct and without malice, which shall be deemed lacking when the Whistleblower does not have personal knowledge of the facts for the Complaint, or where the Whistleblower knew or reasonably should have known that the complaint is malicious, false or frivolous, or where the Whistleblower failed to exercise due care while making a Complaint under this Policy.
9. **“Investigation Committee”** or **“Committee”** means the committee consisting of a team of senior personnel who are nominated and tasked by the Ombudsman/ Chairman of the Audit Committee in terms of section 5.0 hereof to assess independently the concerns raised by the Whistleblower.

10. **“Investigator(s)”** means those person(s) authorized, appointed, consulted or approached by the Competent Authority and includes the auditors of the Company and police for the purpose of conducting an investigation in relation to Complaint under this Policy.
11. **“Ombudsman”** shall be a non-executive independent director appointed by the Board of Directors of the Company for the purpose of receiving and dealing with complaints under this policy and ensuring appropriate action being taken.
12. **“Policy”** means the Whistleblower Policy and Vigil Mechanism as amended from time to time.
13. **“Service Providers/ Associates”** means and include valuers, legal advisors, accountants, consultancy firms or any other person providing professional service of any nature and also includes suppliers / providers of any goods or other services to Company and others with whom Company has any financial or commercial dealings.
14. **“Subject”** means a person, against or in relation to whom, a Complaint has been made or evidence has been gathered during the course of the investigation under this Policy
15. **“Whistleblower”** means any Employee, Director and/or Service Provider(s)/ Associates, who complains to the Competent Authority in writing, of any Alleged Wrongful Conduct.
16. **“Disciplinary action”** means any action that can be taken on the completion of or during the investigation proceedings including but not limited 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.

### **III. Scope**

The Whistle Blower’s role is that of the reporting party with reliable information/ concrete evidence. The Whistle Blower should not act as Investigator or finder of facts nor should he determine corrective or remedial action that may be warranted in the given case. Whistle Blower should not act on his/ her own in conducting any investigative activity nor he/ she has right to participate in any investigative activity other than as required by the Ombudsman or the Chairman of the Audit Committee or the Investigators.

Complaints made under this Policy will shall be appropriately dealt with by the Ombudsman or the Chairman of the Audit Committee as the case may be.

### **IV. Eligibility**

All directors and employees of the Company are eligible to make complaints under the Policy. The complaints may be in relation to matters concerning the Company but not limited to:

- a. Abuse of authority;
- b. Breach of code of conduct or employment contract;
- c. Negligence causing substantial and specific danger to public health and safety;
- d. Manipulation of the Company's data or records;
- e. Financial irregularities, including fraud or suspected fraud or deficiencies of internal control and check or deliberate error in preparations of financial statements or misrepresentation of financial reports;
- f. Any unlawful act, whether civil or criminal, the latter having repercussions on the Company and its reputation;
- g. Pilferation of confidential or proprietary information;
- h. Deliberate violation of law or regulations;
- i. Wastage or misappropriation of the Company's funds or assets;
- j. Breach of code of conduct or rules;
- k. Any other unethical, biased, favored, imprudent act or behavior.

The Policy should not be used in place of the Company's grievance procedure or be a route for raising malicious or unfounded allegations against colleagues. Any such attempt shall be addressed in the strictest possible manner and may entail disciplinary action against the person acting with malice or animosity.

#### **V. Competent Authority:**

1. The Ombudsman/the Chairman of the Audit Committee shall be the Competent Authority to consider the complaints made under this Policy.
2. The Complaints to be submitted to the Ombudsman through e-mail at [cs@tarmatlimited.com](mailto:cs@tarmatlimited.com) or by written communication marked "Private and Confidential – Complaint" directly to the Ombudsman.
3. The Complaints concerning financial/ accounting matters should be addressed to the Chairman of the Audit Committee of the Company at the following address:

Mr. Pratul Govind Dube, Chairman- Audit Committee  
TARMAT LIMITED  
Tank Road, Off Gen Vaidya Marg,  
Goregaon (East),  
Mumbai 400 0063.

4. In case a Complaint is received from by any Employee not being the Competent Authority, the same shall be forwarded to the Ombudsman/ Chairman of the Audit Committee, as the case may be, for necessary action, including referring the same to Whole –Time Director.
5. The Complainant shall have direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

## **VI. Procedure:**

1. Any Employee or Director or Service Provider/ Associates, who observes or notices or has, in good faith, reason to believe the occurrence of, any Alleged Wrongful Conduct, may, in good faith, make a Complaint to the Competent Authority as soon as possible after becoming aware of the same.
2. All Complaints of Alleged Wrongful Conduct shall be in writing in English or Hindi and signed by the Whistleblower and shall be addressed to the Competent Authority and marked "Private and Confidential- Complaint". Whistleblower must put his or her name while making the Complaint and that Concerns expressed anonymously WILL NOT BE investigated.

Provided that in case of a Complaint by an employee of the Service Provider/ Associates, the same shall be routed through its Proprietor, Partner or Director (or its equivalent) under their signature, to the Competent Authority.

3. Every Complaint shall contain specific and sufficient details to enable the Competent Authority to take an informed decision on the admissibility of the Complaint and investigation into the same, and shall include:
  - (a) name, address and contact number of the Whistleblower;
  - (b) name(s) of the Subject(s) and his / her / their designation(s), if known;
  - (c) nature and detailed facts of the Alleged Wrongful Conduct;
  - (d) information or copy(ies) of the documentary proof or evidence in support of the Complaint, if any;
  - (e) the impact/effect, either monetary or otherwise, on the Company, if possible; and
  - (f) a confirmation by the Whistleblower that he/she is willing to substantiate the Alleged Wrongful Conduct referred to in the Complaint, appear and testify before the Investigator(s), as and when called by the Investigator(s) and otherwise co-operate in the investigation of the Complaint.
4. Any anonymous complaint received under this Policy will not normally be processed. However, depending upon the materiality of the Alleged Wrongful Conduct and credibility of supporting evidence/ information provided, the Competent Authority may decide to consider the Complaint and investigate into the same.
5. The Ombudsman/ Chairman of the Audit Committee shall adjudicate on all valid complaints received unless the complaint needs added technical or functional expertise, in which case the matter will be referred to the Committee. To expedite the volume and load of pending complaints also, the Ombudsman/ Chairman of the Audit Committee may refer the matter to the Committee. The Ombudsman/ Chairman of the Audit Committee/ the Committee shall refer such matters to an Investigator which in their

discretion deem fit. The investigation shall be carried on in a fair and transparent manner and in accordance with the applicable laws.

6. The identity of the Subject shall be kept confidential to the extent possible and permitted under law.
7. The Subject shall normally be informed of the allegations against him/ her and shall have the opportunity to provide his/her inputs during the investigation.
8. The Subject shall also have a right to consult with any person(s) of his/her choice, other than the investigators, the Ombudsman/ Chairman of the Audit Committee, the Audit Committee or the Whistle Blower. The Subject shall also have the right to appoint a counsel at his/her cost to represent him/ her in the investigation proceedings.
9. The Subject shall co-operate with the Investigator(s) during the investigation and shall not interfere in the process of investigation. In the event the Subject interferes or causes any interference or attempts to cause any interference in the investigation proceedings, he/she shall be subject to such disciplinary action as may be deemed appropriate in the circumstances.
10. The procedure to be followed in any investigation shall be decided by the Competent Authority. Subject to the applicable laws and legitimate needs of the investigation, the process of investigation shall be kept confidential.
11. The Competent Authority shall, within 7 (seven) Business Days of receipt of the Complaint, decide on admission of the Complaint and investigation into the same, and wherein it decides to investigate, appoint the Investigator(s) for conducting the investigation into the Complaint and where such Investigator is a Service Provider, determine the terms and conditions of appointment.
12. The Investigator(s) shall, as far as possible, complete the investigation within 30 (thirty) Business Days of the receipt of the Complaint by the Competent Authority. The Subject shall also be informed of the outcome of the investigation.
13. The Investigator(s) shall submit to the Competent Authority, a report of their investigation within 7 (seven) Business Days from the date of completion of the investigation.

## **VII. Disqualifications:**

- a. While it shall 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.

- b. Protection under this Policy should not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower with a *mala fide* intention.
- c. Whistle Blowers, 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, shall be disqualified from reporting further protected disclosures under the Policy. In respect of such Whistle Blowers, the Company or Audit Committee would reserve its right to take or recommend appropriate disciplinary action.

#### **VIII. Decision:**

1. If an investigation concludes that an alleged wrong conduct has been in fact committed, then the Ombudsman/ Chairman of the Audit Committee can direct the WTD to take such disciplinary or corrective action as recommended by the Ombudsman. It is clarified that 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.

If an investigation results in a recommendation to terminate the services of the subject, the recommendation will be reviewed by the designated representatives of Human Resources and the Legal department and, if necessary, by outside counsel, before any such action is taken.

2. The Ombudsman/ Chairman of the Audit Committee shall place before the Audit Committee the summary and updates relating to the Investigations and decisions taken.

#### **IX. Appeal:**

If the Whistleblower or the subject is not satisfied with the decision, then, he could file an appeal against the decision before the Audit Committee whose decision shall be final and binding on all concerned parties.

#### **X. Protection of Whistleblower's interests:**

Protection to the Whistle Blower under the Policy shall be available provided certain conditions are met with, that is:

- (i) the Complaint is made in good faith;
- (ii) the Whistle Blower has reasonable information or documents in support thereof;
- (iii) the Complaint is not made for any personal gain or animosity against the Subject

1. A Whistleblower shall be protected from victimization, discrimination, intimidation, demotion, termination of service, or any other form of

unfair treatment brought out to him/her by virtue of his/ her making a Complaint under this Policy. Such unfair treatment shall constitute sufficient ground for disciplinary action against the person who meted out such unfair treatment to the Whistle Blower.

2. If a Whistleblower is subjected to unfair treatment, he/she may make a complaint of the same to the Competent Authority, who shall investigate into the same and recommend such disciplinary or corrective action to the management, as it may deem fit.
3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blower are cautioned that their identity may become known beyond the control of the Ombudsman/ Chairman of the Audit Committee, during the course of investigation.
4. Any person, employee or director who assists in investigation of complaint under this Policy shall also be protected to the same extent as the Whistle Blower.

#### **XI. False Allegation, Disqualification and Abuse of Protection:**

1. Any Whistleblower who makes three or more mala fide, frivolous, baseless or malicious Complaints or whose Complaint under this Policy is found to be otherwise than in good faith, shall be disqualified from making further Complaints under this Policy. In addition, the Competent Authority may recommend to the management or the Board of Directors of the Company to take such action against him / her as may be deemed appropriate in the circumstances. No protection from disciplinary action would be provided if the Whistle Blower knows the Complaint to be false or bogus.
2. Any abuse of protection under this Policy will warrant disciplinary action.
3. This Policy may not be used as a defense by a Whistleblower against whom an adverse action has been / is being taken by the Company, independent of the Complaint made by him / her and for legitimate reasons or causes.

#### **XII. Reporting Requirements:**

The Competent Authority shall submit to the Audit Committee, quarterly reports in respect of Complaints (if any) received under this Policy together with the results of investigation and investigation documents.

#### **XIII. Retention of Documents:**

All Complaints along with the evidences gathered during the investigation, results of investigation and investigation documents relating thereto, shall be retained by the Company for a period of 7 (seven) years from the date of completion of the investigation.



**XIV. Notification:**

This Policy, as amended from time to time, shall be uploaded on the intranet and website of the Company for information.

**XV. Review**

A quarterly report with number of complaints received under the Policy and their outcome shall be placed by the Ethics Counselor / Ombudsman before the Audit Committee and the Board of Directors of the Company.

**XVI. Secrecy or Confidentiality**

The Whistle Blower, the Subject, the Investigators and everyone involved in the process shall, maintain complete confidentiality or secrecy of the matter and not discuss the matter in any informal or social gatherings or social media or meetings, and if anyone is found not complying with the above, he or she shall be held liable for such disciplinary action as is considered fit by the Ethics Counselor / Ombudsman or the Chairman of the Audit Committee, as the case may be.

**XVII. Amendment:**

Company reserves the 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 shall be binding on employees and directors, unless the same is notified on the intranet and website. Further, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or any law for the time being in force.

**XVIII. Annual Affirmation**

The Ombudsman or Whole Time Director of the Company shall annually affirm that it has not denied to any person access to the Audit Committee.

The affirmation shall form part of the Report on Corporate Governance in the Annual Report of the Company.