

## **VIGIL MECHANISM POLICY**



**RALSON TYRES LIMITED**

## **1. PREFACE**

Ralson Tyres Limited is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics. The Company believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of honesty, integrity and ethical behaviour. Any actual or potential violation of these standards, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the directors and employees in pointing out such violations of these standards cannot be undermined.

## **2. REGULATORY REFERENCE**

Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of companies to establish a vigil mechanism for directors and employees to report their genuine concerns:-

- a) Every listed company;
- b) Every other company which accepts deposits from the public; or
- c) Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

As the company's borrowed funds are in excess of Rs. 50 crores, this Vigil Mechanism Policy ("the Policy") has been formulated with a view to provide a mechanism for directors and employees of the Company to report their genuine concerns about actual or suspected dishonest or illegal activities or violation of laws or rules/ regulations of the organization or fraud or corruption taking place in the organization.

## **3. OBJECTIVES**

The objective of the policy is to provide a framework to promote responsible and secure Vigil Mechanism, in good faith. The Vigil Mechanism will play a very important role as an internal control measure and will help the Company to identify and take appropriate action against any fraud/ suspected fraud/ misappropriation/ abuse of position or any other unethical happening.

The mechanism provides for adequate safeguards against victimization of directors and employees wishing to raise a concern about serious irregularities within the Company. The policy however neither releases employees 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.

## **4. SCOPE AND COVERAGE OF VIGIL MECHANISM**

This Vigil Mechanism is applicable to all Employees and Directors of the Company irrespective of their positions, and broadly, the following areas (the list is indicative and not exhaustive) are covered:-

- a) Financial irregularities, including fraud or suspected fraud including breach of internal control and checks;
- b) Misappropriation of company funds or assets;
- c) Abuse of authority;
- d) Gross or wilful negligence causing substantial and specific danger to health, safety and environment;

- e) Manipulation of company data/ records/ register;
- f) Pilferage of confidential/ propriety information;
- g) Non-compliance with/ violation of organization rules & regulations or statutory requirements;
- h) Any other unethical, dishonest or biased happenings.

## 5. **DEFINITIONS**

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

- ❖ **“Audit Committee”** means the Audit Committee of directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- ❖ **“Director”** means every Director of the Company, past or present.
- ❖ **“Employee”** means every employee of the Company, including the directors in the employment of the Company.
- ❖ **“Policy or This Policy”** means, Vigil Mechanism/ Whistleblower Policy.
- ❖ **“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. Protected Disclosure should be factual and not speculative in nature.
- ❖ **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- ❖ **“Vigilance and Ethics Officer”** means an officer appointed to receive protected disclosure from Whistleblower/ complainant, conducting investigation of the case, maintaining records thereof, placing the investigation report to the Audit Committee for its disposal and informing the Whistleblower/ complainant of the result thereof.
- ❖ **“Whistleblower”** (the complainant) means an employee or director making a Protected Disclosure under this Policy.

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

All Protected Disclosures should be reported in writing by the Whistleblower/ complainant as soon as possible after he/ she 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/ any local language.

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”**. If the complaint is not super scribed and closed as mentioned above, it shall not be possible for the Vigilance and Ethics Officer to protect the Whistleblower/ complainant and the protected disclosure will be dealt with as if a normal disclosure.

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In order to protect the identity of the Whistleblower/ complainant, the Vigilance and Ethics Officer shall not issue any acknowledgement to the Whistleblower/ complainant and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he/ she will get in touch with the Whistleblower/ complainant.

Anonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.

The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer shall detach the covering letter bearing the identity of the Whistle Blower/ complainant and process only the Protected Disclosure.

All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company. The contact details of the Vigilance and Ethics Officer are as under: -

**Name and Address: -**

Mr. Gaurav Bakshi  
Strat-Board Business Services LLP  
Unit No 421, AltF - Success Tower, Sector 65  
Gurgaon, Haryana – 122005  
E-mail: gaurav.bakshi@strat-board.com

Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Managing Director and Chairman of the Audit Committee are as under:-

**Name and Address of Managing Director:-**

Mr. Manjul Pahwa  
Ralson Tyres Limited  
17<sup>th</sup> Floor, Narain Manzil,  
23 Barakhamba Road,  
New Delhi-110001  
E-mail: manjul.pahwa@ralson.com

**Name and Address of Chairman of Audit Committee:-**

Mr. Amandeep  
H. No. A6/110 PD2,  
Sahara Grace Apartments, MG Road  
Gurgaon-122002.  
E-mail: amandeep@thesherpas.in

## **7. INVESTIGATION**

On receipt of a Protected Disclosure, the Vigilance and Ethics Officer shall make a report on the Protected Disclosure and also ascertain from the Whistleblower/ complainant whether he was the person who made the Protected Disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Managing Director or the Chairman of the Audit Committee as the case may be, for further appropriate and requisite action. The report shall include:-

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Vigilance and Ethics Officer/ Managing Director/ Chairman of the Audit Committee, as the case may be, for processing the complaint;
- e) Findings of the investigation;
- f) The recommendations/ other action(s).

After the Protected Disclosure as received under this policy is investigated and a report is submitted to the Managing Director/ Chairman of the Audit Committee, as the case may be, he may further investigate and may at his 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 acceptance of the accusation by the Authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.

The identity of the Subject(s) shall be kept confidential to the extent possible given the legitimate needs of the investigation.

Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have an opportunity of being heard and providing his inputs during the investigation.

Subject(s) shall have a duty to co-operate with the Vigilance and Ethics Officer/ Managing Director/ Chairman of the Audit Committee as the case may be or any of the Officers appointed by it in this regard.

Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer/ Managing Director/ Chairman of the Audit Committee and/or the Whistleblower/ complainant.

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.

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

The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure and is extendable by such period as the Managing Director/ Chairman of the Audit Committee, as the case may be, deems fit upon request by the Vigilance and Ethics Officer.

#### **8. DECISION AND REPORTING**

- ❖ If an investigation leads the Vigilance and Ethics Officer/ Managing Director/ Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer/ Managing Director/ Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as it may deem fit.
- ❖ 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.

#### **9. SECRECY / CONFIDENTIALITY**

The Whistleblower/ complainant, Vigilance and Ethics Officer, Managing Director, Chairman of the Audit Committee as the case may be and other Members of Audit Committee, the Subject 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 and keep the papers in safe custody.

#### **10. PROTECTION TO WHISTLEBLOWER**

- ❖ No unfair treatment will be meted out to a Whistleblower/ complainant 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 Whistleblower/ complainant. Complete protection will, therefore, be given to Whistleblower/ complainant 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 his/ her right to continue to perform his duties/ functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower/ complainant may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower/ complainant is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower/ complainant to receive advice about the procedure, etc.
- ❖ A Whistleblower/ complainant 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 Whistleblower/ complainant shall be kept confidential to the extent possible and permitted under law.
- ❖ Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower/ complainant.

**11. DISQUALIFICATIONS**

- ❖ While it will be ensured that genuine whistleblowers/ complainants 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 Whistleblower/ complainant knowing it to be false or bogus or with a mala fide intention.
- ❖ In case of repeated frivolous complaints being filed by a director or an employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand.

**12. 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 05 (five) years.

**13. COMMUNICATION**

A Vigil Mechanism policy cannot be effective unless it is properly communicated to employees. Employees shall be appropriately informed about the same.

**14. COMPANY'S POWERS**

Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy.

**15. AMENDMENTS**

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 the Employees and directors in writing.