

## **Whistle Blower Policy / Vigil Mechanism**

### **Purpose**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with the Company's Principles. Towards that end, the company has inter alia adopted 'Code of Conduct and Ethics Policy' which are applicable to directors / employees at various levels. Any actual or potential violation of these Principles and Policies would be a matter of serious concern for the Company.

This Whistleblower Policy is formulated to encourage all employees & directors of the Company to report any unethical behaviour, actual or suspected fraud or violation of the 'Code of Conduct and Ethics Policy' of the Company and to provide a secure environment to such employees acting in good faith and safeguarding them from any adverse action by the management.

### **Definitions**

- a) "*Audit Committee*": Audit Committee means the Committee constituted in accordance with Section 177 of the Companies Act, 2013.
- b) "*Disclosure*": Disclosure means any information provided by an employee / director under this policy upon observance of unethical behavior, actual or suspected violation of the 'Code of Conduct and Ethics Policy' of the Company or violation of any other law.
- c) "*Employee*": Employee means every employee of the Company wherever located whether permanent or on probation.
- d) "*Director*": Director means a director appointed to the Board of the Company.
- e) "*Whistle Blower*": Whistle Blower means an employee or director who makes a disclosure of any unethical behavior, actual or suspected fraud or violation of the 'Code of Conduct and Ethics Policy' of the Company or violation of any other law.

### **Procedure**

1. Any employee or director who observes or has knowledge of an alleged wrongful conduct shall, as soon as possible make disclosure giving available details to the Audit Committee or a designated person nominated by the Audit Committee, if any. The Audit Committee may nominate a senior officer or a committee of managerial personnel (designated Person) to receive such disclosures and to investigate the matter & report back. The disclosure may be made in writing (by e-mail to "[whistleblower@vstind.com](mailto:whistleblower@vstind.com)" or on paper send to

the Corporate Office addressed to the designated Person / Audit Committee) or orally (a personal meeting or over the telephone). While such disclosure can also be made anonymously, but it is advisable to report the matter in confidence with the details which would help in investigation & seeking further inputs and also in providing feedback.

2. As far as possible, the disclosure shall comprise of details relating to as much information about the suspected violation as possible and should describe the nature of the suspected violation; the identities of persons involved in the suspected violation; a description of documents that relate to the suspected violation; and the time frame during which the suspected violation occurred.
3. Disclosures as may be received by designated Person shall be reported to the Audit Committee and appropriately and expeditiously investigated. In this regard, the designated Person may appoint an outside agency to investigate into the matter. If the disclosure is received directly by the Audit Committee, it may pass the same to the designated Person for appropriate action. In case there is a disclosure against a member of the Audit Committee or the designated Person, the concerned member or the designated Person shall reclude himself and others on the Audit Committee would deal with such matter. Upon receipt of disclosure, respective functional head (unless the disclosure is against the functional head himself) may be consulted before taking further action.
4. After investigation, the designated Person shall report the matter to the Audit Committee before taking any corrective action.
5. Necessary corrective action, (based on the report of investigating officer / designated Person or otherwise) after intimating the Audit Committee, shall be taken within 30 days of receipt of the report. A report giving details of number & type of disclosures received, investigation, findings, action taken etc., shall be placed in the next Audit Committee meeting.
6. In case of disclosure against any director or in case of no corrective action or non receipt of response on the disclosure within 30 days, the whistle blower shall have the right to directly approach the Chairman of the Audit Committee.

## **Protection**

1. The Whistle Blower shall be protected against unfair treatment or any kind of discrimination, harassment, victimization or any other unfair employment practice such as threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including the right to make further Disclosure. The Whistle Blower may report any violation of the above to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

2. The identity of Whistle Blower shall be kept confidential and shall not be disclosed unless required under any law. However, during the course of investigation, the Whistle Blower may be asked to substantiate his claim and provide such other information as may be required.

### **False Disclosure**

Any employee / director who knowingly makes false or bogus Disclosure or mere allegations with *mala fide* intention, shall be subject to disciplinary action and will not be eligible for protection as mentioned above. Further, this policy cannot be used as a defense by an employee / director against whom adverse action has been taken on some other account independent of any disclosure made / to be made by him.

### **Repeated Allegations**

Any employee / director making three or more disclosures which are found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from further reporting under this policy and in addition, the Audit Committee shall have the right to recommend disciplinary action including termination from service.

### **Right of Refusal**

Upon receipt of disclosure, the designated Person shall have the right to refuse investigation or may not pursue the matter if they are not supported by proper evidence and are mere allegations. Reasons for non perusal of matters shall however, be communicated to the Whistle Blower, recorded and mentioned in the report to be placed before the Audit Committee.

### **Records**

All disclosures in writing, the investigation reports, details of corrective action taken, reasons for not pursuing any matter and related documents shall be preserved by the Company.

### **Designated Person**

In terms of the Policy, a managerial committee (designated Persons) comprising of **Head of HR & Company Secretary** is constituted to receive disclosures, investigate the matter and report back to the Audit Committee.

**The Contact details are as follows:**

Head of HR / Company Secretary  
VST Industries Ltd , Azamabad, Hyderabad – 500 020

Tel: 040 – 27688206 / 27688437

Email: [whistleblower@vstind.com](mailto:whistleblower@vstind.com)