



# EASTERN TREADS LIMITED

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## WHISTLE BLOWER POLICY & VIGIL MECHANISM

### 1) Preface

1.1 Eastern Treads Limited's Code of Conduct ("Code") requires all employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, they must practice honesty and integrity in fulfilling their responsibilities and comply with all the applicable laws and regulations and the Company's Code of Conduct.

1.2 Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism:

- i. Every listed company
- ii. Every other company which accepts deposits from the public;
- iii. Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

Further, Clause 49 of the Listing Agreement between listed companies and 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 'Whistleblower Policy' for directors and employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

1.3 Accordingly, this Whistleblower Policy ("the Policy") has been formulated with a view to providing a mechanism for employees of the Company to approach the Vigilance Officer/Chairman of the Audit Committee. The Whistle Blower Policy and Vigil Mechanism provide a framework to promote responsible and secure whistle blowing.

### 2) Objective

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. This policy further provides necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith.

### 3) Definitions

- (a) "Disciplinary Action" means any action that can be taken on the completion of /during the investigation proceedings.
- (b) "Employee" means every employee of the Company (whether working in India or abroad) and will include all whole-time Directors.
- (c) "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 Disclosures should be factual.
- (d) "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 under this Policy.
- (e) "Whistleblower" is someone who makes a Protected Disclosure under this Policy.



- (f) “Vigilance Officer” means an officer who is nominated/ appointed to conduct detailed investigation of the disclosure received from the whistleblower. Currently, the Company Secretary is designated as the Vigilance Officer.
- (g) “Company” means, “Eastern Treads Limited”.
- (h) “Policy means, the “Whistleblower Policy” or “Vigil Mechanism”.

#### 4) **Scope and Coverage**

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- a. Abuse of authority.
- b. Breach of contract.
- c. Negligence causing substantial and specific danger to public health and safety.
- d. Manipulation of company data/records
- e. Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports.
- f. Any unlawful act whether Criminal/ Civil.
- g. Stealing of confidential/propriety information.
- h. Deliberate violation of law/regulation or the Code of Conduct of the Company.
- i. Wastage/misappropriation of company funds/assets.
- j. Breach of Company Policy or failure to implement or comply with any approved Company Policy

The above list is illustrating. The Policy should not, however, be used to redress matters relating to service conditions of employees.

#### 5) **Guiding Principles**

Consistent with the rationale of the whistle blower system, the Policy aims to

- a. ensure that the Whistle blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- b. treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimization;
- c. ensure complete confidentiality;
- d. not attempt to conceal evidence of the Protected Disclosure;
- e. take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made; and
- f. provide an opportunity of being heard to the persons involved especially to the Subject.

#### 6) **Reporting of 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 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/Malayalam.

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 email 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 to protect the complainant and the protected disclosure will be dealt with as if it is a normal disclosure.

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

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer. Where the protected disclosure relates to the functioning of any department under the control of the designated Vigilance Officer or relates to a whole-time Director, then such a disclosure shall be sent to the Chairman of the Audit Committee.

The Protected Disclosure shall be forwarded under a covering letter signed by the complainant. The Vigilance Officer /Chairman of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

## 7) Investigation

On receipt of a protected disclosure, the designated Vigilance Officer will make discreet enquiries to ascertain the veracity of the disclosure. Where he is satisfied that there is a case for investigation, he may constitute an investigation team comprising heads of departments preferably not connected with the work of the subject. If an Investigation Committee is to be appointed, it should include Senior Level Officers of Personnel & Admin, a representative of the Division/ Department where the alleged malpractice has occurred.

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 Investigating team 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 Officer / Investigators and/or members of the Investigating team and/or the Whistle Blower.

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 before incorporation in the investigation report. No allegation of wrong doing 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 Investigating team deems fit.



**8) Decision**

If an investigation leads the Vigilance Officer /Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Vigilance Officer / Chairman of the Audit Committee deems 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) Reporting**

The Vigilance Officer shall submit a report to 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.

**10) 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.

**11) Amendment**

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.

For Eastern Treads Limited

M.E Mohamed  
Managing Director