



**TVS Electronics Ltd**

**VIGIL AND WHISTLE BLOWER MECHANISM**



## **1 Preamble:**

- 1.1. In line with the TVS Group philosophy, the Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Any action by the concerned stakeholder of the Company which undermines the ethical fabric would be a matter of serious concern for the Company.
- 1.2. The Company has adopted a Code of Conduct ("the Code") for Directors and Senior Management personnel, which lays down the principles and standards that should govern the actions of the Company, its Directors and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The establishment of Vigil and Whistle Blower Mechanism shall provide for safeguards against any victimization for persons intending to use the mechanism and shall have direct access to the designated agency who will act as the "Ombudsperson" for the purpose of implementation of the Policy.

## **2 Vigil and Whistle Blower Mechanism**

- 2.1 Towards this end, TVS Electronics Limited being the Listed Company, has formulated this Vigil and Whistle Blower Mechanism ("the Policy") with a view to provide a mechanism for Directors / employees ( permanent) of the Company (collectively referred to as Stakeholders) to report instances of unethical behavior, actual or suspected fraud or violation of Company's code of conduct and ethics policy , illegal, inappropriate and harmful activities to the Company

## **3 Definitions**

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

**"Code"** means the Code of Conduct adopted by the Company.

**"Directors"** means Directors on Board of the Company.

**"Employee"** means every employee (including permanent) of the Company (whether working in India or abroad), including the Directors in the employment of the Company.

**"Investigators"** mean those persons authorised, appointed, consulted or approached by the Company and/or the Ombudsman and includes the Statutory or Internal Auditors of the Company and the Police.



**“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity, illegal, inappropriate and harmful activities to the Company. It should be factual and be capable of being substantiated with evidence and not speculative and be specific to enable proper assessment and redressal.

**“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.

**“Ombudsman”** will be the designated officer of an agency appointed by the Company to implement this Whistle Blower Policy. **“Committee”** or **“Whistle Blower Protection Committee”** shall be the committee constituted by Ombudsperson for investigation, inquiry and redressal.

**“Unpublished Price Sensitive Information” (UPSI)** shall have the meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or any modifications thereof.

**“Whistle Blower”** means a Director / Employee (Permanent in relation to the Company) as on date of adoption of this Policy, making a Protected Disclosure under this Policy.

#### **4 Objective**

- 4.1 The purpose of this policy is to provide a framework to promote a culture of responsible and secure whistle blowing, wherein the stakeholders can raise/report any suspected or actual instances of unethical behavior, actual or suspected fraud or violation of Company's code of conduct and ethics policy, instances of leak or suspected leak of UPSI.
- 4.2 This policy is in line with Section 177 of Companies Act, 2013 and Regulation 4 of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 to establish a mechanism to report to the management any instances stated in (a) above.
- 4.3 This Policy neither releases the employees (both permanent and contract) from their confidential obligations in their course of work nor serves as a route to raise allegations with malicious or baseless intentions.

#### **5 Scope**

- 5.1 This Policy is an extension of the Code of Conduct. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- 5.2 Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Ombudsman or the Committee or the Investigators.



5.3 Protected Disclosure will be appropriately dealt with by the Ombudsman, or the Committee.

5.4 The scope shall cover, including but not limited to the following:

- a. Breach of Company's Code of Conduct
- b. Breach of terms and conditions of employment and service rules
- c. Breach of Business integrity and ethics
- d. Deviation from company policy/process, manipulation of data/records;
- e. Deliberate violation of law/regulation, unlawful in the region (or) state;
- f. Financial irregularities, which may lead to incorrect reporting/loss to customers;
- g. Violation of confidential and IPR obligations
- h. Abuse of authority
- i. Criminal Offence
- j. Any other unethical, biased, favoured imprudent event;
- k. Any fraud, misappropriation, theft, etc. of Company's property
- l. Unethical behavior
- m. Reporting instances of leak or suspected leak of UPSI.

5.5 The Policy should not be used for raising malicious or unfounded allegations against colleagues or superiors or reportees.

## **6 Eligibility**

6.1 All the stakeholders of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or to any other related Company in the group or the concerned employees or stakeholders.

## **7 Disqualification**

7.1 While it will 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.

7.2 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.

7.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who are found to be making frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

7.4 Malicious allegations may result in disciplinary action. Appropriate action will be taken if anyone destroys or conceals evidence of the protected disclosure made/to be made.



## **8 Procedure**

- 8.1 A Whistle Blower can raise a concern with the Ombudsman by sending an email. The email id of Ombudsman is OMBUDSMAN@tvs-e.in
- 8.2 If a Protected Disclosure is received by any executive of the Company, the same should be forwarded to the Ombudsman for further appropriate action.
- 8.3 Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should be sent by e-mail to the e-mail address of the Ombudsman .
- 8.4 Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 8.5 A Whistle Blower has to disclose his/her identity, which shall be protected under this policy.
- 8.6 A whistle Blower may or may not receive acknowledgement while raising concern.

## **9 Ombudsman:**

- 9.1 The Ombudsman shall be responsible to manage the whistle blower complaints of all the stakeholders and to redress any other compliance or internal issues and shall be primarily responsible, including but not limited to the following:
  - a. Ensure that the policy is being implemented.
  - b. Ascertain prima facie the credibility of the charge.
  - c. If initial enquiry indicates further investigation is not required, close the issue after documenting the enquiry.
  - d. Where further investigation is indicated carry this through (or) by appointing a Committee if necessary.
  - e. Ensure that necessary safeguards are provided to the complainant.
  - f. Providing necessary feedback to the whistle blower on the progress of the investigation.
  - g. Submit a report to the Board of Directors on quarterly basis or such other period as may be determined by the Board.
  - h. Promptly inform the reporting of instances of leak or suspected leak of UPSI to the Managing Director and Compliance Officer or any person authorized by the Managing Director of the Company from time to time.



## **10 Whistle Blower Protection Committee**

- 10.1 The Ombudsman may constitute a Whistle Blower Protection Committee for the purpose of Independent evaluation and to assist in conducting investigation, inquiry and suggesting remedial actions. The members of the Committee will be decided by the Ombudsman.
- 10.2 With respect to the reporting of leak or suspected leak of UPSI, the enquiry will be conducted as per the Company's "policy for procedure of inquiry in case of leak of UPSI"

## **11 Investigation**

- 11.1 All Protected Disclosures reported under this Policy will be thoroughly investigated as per the policy laid down by the Ombudsman or the Whistle Blower Protection Committee constituted by the Ombudsman, if any.
- 11.2 The decision to conduct an investigation taken by the Ombudsman or the Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- 11.3 The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 11.4 Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 11.5 Subjects shall have a duty to co-operate with the Ombudsman, Committee and any authorised official of the Company authorised by the Ombudsman or the Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws. .
- 11.6 Subjects have a right to consult with a person or persons of their choice, other than the Ombudsman / Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the Subject are not sustainable, then the Company may see reason to reimburse such reasonable costs.
- 11.7 Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- 11.8 Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- 11.9 Subjects have a right to be informed of the outcome of the investigation.



- 11.10 The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.
- 11.11 The Audit Committee, if required, may call for further information or particulars from the whistle blower, for the purpose of investigation.
- 11.12 The whistle blower raising the concern will also receive an update on the final outcome.

## **12 Protection**

- 12.1 No unfair treatment will be meted out to a Whistle Blower 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 Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers 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 the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 12.2 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **13 Decision and Reporting**

- 13.1 If an investigation leads to conclude that an improper or unethical act has been committed, the Ombudsman shall recommend to the management of the Company to take such disciplinary or corrective action as the Ombudsman 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.
- 13.2 A quarterly report on such findings shall be placed before the Audit Committee and the Board.

## **14 Retention of documents**

- 14.1 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 eight years or any other period, specified by any other law for the time being in force.



## **15 Amendment**

- 15.1 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 unless the same is notified to the Employees in writing.
- 15.2 The Board of Directors of the Company, subject to the recommendation of the Audit Committee, if any, shall have the right to amend the Policy.

## **16 Notification**

- 16.1 The new employees shall be informed about the Policy by the Human Resources department at the time of Induction or Orientation program. This policy as amended from time to time will be posted on the intranet of the Company.
16. Directors and employees shall be informed of the Policy by publishing on the notice board and on the intranet of the Company.

## **17 Secrecy/Confidentiality:**

- 17.1 The Whistle Blower and all the stakeholders involved in the process shall:
- a. Maintain complete confidentiality/ secrecy of the matter.
  - b. Not to discuss the matter in any informal/social gatherings/ meetings.
  - c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations.
  - d. Not to keep the papers unattended anywhere at any time.
  - e. Keep the electronic mails/files under password.
  - f. If anyone is found not complying with the above, he/she shall be held liable for such disciplinary action as is considered fit.

## **18 Contact Details:**

### **Ombudsman:**

The Chairman of the Audit Committee shall be the ombudsman.

Email id: OMBUDSMAN@tvs-e.in