

**BHARAT GEARS LIMITED****POLICY ON VIGIL MECHANISM/WHISTLE BLOWER MECHANISM****1. PREFACE**

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), every listed Company shall establish a Whistle Blower policy/Vigil Mechanism for the Directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy. The Company has adopted a Code of Conduct ("the Code") for Directors and Senior Management Personnel (as defined in "the Code"), which lays down the principles and standards that should govern the actions of the Company 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. Such a vigil mechanism shall provide for adequate safeguards against victimization of Directors, employees and any other person who avail of such mechanism and also make provisions for direct access to the Chairman of Audit Committee in exceptional cases.

In terms of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations), including any amendment thereto, the Company is required to formulate a Whistle Blower Policy to enable employees to report instances of leak of Unpublished Price Sensitive Information ("UPSI"). The Company has adopted a code of Fair Disclosure and Code of Conduct ('**Insider Trading Code**') as required under Insider Trading Regulations, which lays down the practices and procedures that should govern fair disclosure of UPSI by the Company and regulate and monitor the conduct of designated persons (as defined in the Insider Trading Code) while dealing in the securities of the Company. Such a whistle blower policy shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provisions for direct access to the Chairperson of the Audit Committee in appropriate and exceptional case.

Under the above scenario, Bharat Gears Limited ("BGL"), being a Listed Company proposes to establish a revised Whistle Blower Policy/Vigil Mechanism and adopt a policy for the same.

**2. POLICY OBJECTIVES/SCOPE OF THE POLICY**

2.1 The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees, Directors and any other person who avails such mechanism to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The



mechanism provides for adequate safeguards against victimization of employees, Directors and any other person who avails such mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

2.2 This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place/suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, suspected leakage of Unpublished Price Sensitive Information (UPSI) or violation of the Insider Trading Code adopted by the Company, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

### 3. DEFINITIONS

3.1 "**Alleged wrongful conduct**" shall mean violation of law, infringement of Company's code of conduct or ethics policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

3.2 "**Unethical & improper practices**" shall mean:

- *An act, which does not confirm to approved standard of social and professional behaviour;*
- *An act, which leads to unethical business practices;*
- *Improper refers to unethical conduct;*
- *Breach of etiquette or morally offensive behaviour, etc.*

3.3 "**Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the Regulations.

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

3.5 "**Chairman**" means the Chairman of the Board of Directors of the Company.

3.6 "**Company**" means Bharat Gears Limited and all its offices.

3.7 "**Code**" means Code of Conduct for Directors and Senior Management Personnel (as defined in "the Code") adopted by Bharat Gears Limited.

3.8 "**Employee**" means all the present employees and whole time Directors of the Company (Whether working in India or abroad).



- 3.9 **“Any Other Person”** means any other person other than directors and employees who avails the mechanism.
- 3.10 **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company or any other person, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title **“SCOPE OF THE POLICY”** with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 3.11 **“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.
- 3.12 **“Compliance Officer”** means “Company Secretary” of the Company.
- 3.13 **“Whistle Blower”** is an employee or group of employees or any other person who make a Protected Disclosure under this Policy and also referred in this policy as complainant.
- 3.14 **“Unpublished Price Sensitive Information”** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
- (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel.

### **3 ELIGIBILITY**

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

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

- 5.1. 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.
- 5.2. 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 for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Compliance 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 Compliance Officer. The Compliance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

- 5.3. Anonymous/Pseudonymous disclosure shall not be entertained by the Compliance Officer.
- 5.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Compliance Officer/Chairman of the Audit Committee/Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- 5.5. All Protected Disclosures should be addressed to the Compliance Officer of the Company or to the Chairman of the Audit Committee/ Chairman in exceptional cases. The contact details of the Compliance Officer is as under:-

**Name and Address:-** Mr. PrashantKhattry  
Head (Legal) & Company Secretary  
Bharat Gears Limited  
20 K.M. Mathura Road, P.O. Amar Nagar,  
Faridabad- 121003  
Email- [whistleblower@bglindia.com](mailto:whistleblower@bglindia.com)

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

**Name and Address of Chairman:-** Mr. Surinder PaulKanwar  
Bharat Gears Limited  
20 K.M. Mathura Road,  
P.O. Amar Nagar,  
Faridabad- 121003  
Email- [spkanwar@bharatgears.com](mailto:spkanwar@bharatgears.com)

**Name and Address of the  
Chairman of the Audit Committee:-** Chairman  
Audit Committee  
Bharat Gears Limited  
20 K.M. Mathura Road,  
P.O. Amar Nagar,  
Faridabad- 121003  
Email- [secretarial@bglindia.com](mailto:secretarial@bglindia.com)



- 5.7. On receipt of the protected disclosure the Compliance Officer / Chairman/ Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the 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 Audit Committee of the Company for further appropriate investigation and needful action. The record will include:
- a) Brief facts;
  - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
  - c) Details of actions taken by Compliance Officer / Chairman for processing the complaint;
  - d) Findings of the Audit Committee
  - e) The recommendations of the Audit Committee/ other action(s).
- 5.8. The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

## **6. INVESTIGATION**

- 6.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 6.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 6.3. 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.
- 6.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 6.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Compliance Officer/Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- 6.6. 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).
- 6.7. 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.



No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

- 6.8. 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.
- 6.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

## **7. DECISION**

- 7.1. If an investigation leads the Compliance Officer/Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Compliance Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he 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.
- 7.2. In case the Subject is the Chairman of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 7.3. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Compliance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

In case of complaint related to leak of UPSI or suspected leak of UPSI, the Inquiry procedure and disciplinary action procedure as stated in Leak of UPSI Policy shall be adhered to and followed with.

## **8. REPORTING**

The Compliance officer shall submit a report to the Chairman of 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.

## **9. SECRECY / CONFIDENTIALITY**

The complainant, Compliance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:



- a) *Maintain confidentiality of all matters under this Policy.*
- b) *Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.*
- c) *Not keep the papers unattended anywhere at any time.*
- d) *Keep the electronic mails / files under password.*

## **10. PROTECTION**

- 10.1. 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.
- 10.2. A Whistle Blower 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.
- 10.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy.
- 10.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

**11. INTERPRETATION**

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and/ or any other SEBI Regulation(s) as amended from time to time.

**12. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

**13. 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 period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

**14. ADMINISTRATION AND REVIEW OF THE POLICY**

The Chairman shall be responsible for the administration, interpretation, application and review of this policy. The Chairman also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

**15. NOTIFICATION**

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. Every departmental head shall submit a certificate duly signed by him to the compliance officer that this policy was notified to each employees of his department. The new employees shall be informed about the policy by the HR department and statement in this regard should be periodically submitted to the Compliance officer.

This policy as amended from time to time shall be made available at the website of the Company.

**16. DISCLOSURE IN ANNUAL REPORT**

The details of establishment of Whistle Blower Mechanism/Vigil Mechanism shall be disclosed by the Company in its Annual Report under the "Board's Report".

**17. Annual Affirmation**

The Company shall annually affirm that it has not denied access by any Director or Employee to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action.

The affirmation shall form part of Corporate Governance report as attached to the Annual report of the Company.

**18. 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 them in writing.

*Original Policy approved by the Board on 28<sup>th</sup> May, 2014 and amended on 29<sup>th</sup> October, 2015 with respect to change in the name of Chairman of the Audit Committee, further amended on 29<sup>th</sup> January, 2016 with respect to the applicability of the Regulations and on 29<sup>th</sup> January, 2020 to incorporate the amendments introduced vide the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018.*

For Bharat Gears Limited

**Surinder Paul Kanwar**  
**(Chairman and Managing Director)**