



## **MILESTONE GEARS LIMITED**

*(Formerly known as Milestone Gears Private Limited)*

### **VIGIL MECHANISM AND WHISTLE BLOWER POLICY**

#### **1. PREAMBLE**

Milestone Gears Limited (“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.

Accordingly, this **Whistle Blower Policy (“the Policy”)** has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee of the Company and protected disclosure to the management instances of unethical behavior, actual or suspected fraud or violation of the Code of Conduct.

The Policy provides a framework to promote responsible and secure whistle blowing. It protects the Whistle Blower wishing to raise a concern about serious irregularities within the Company. Vigil Mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

The Policy neither releases Whistle Blowers from their duty of confidentiality in the course of their work, nor is it to be misused to surface a grievance about a personnel work-related situation.

#### **2. DEFINITIONS**

**“Disciplinary Action”** means any action that can be taken on the completion of or during the investigation proceedings, including but not limited to, a warning, recovery of financial losses incurred by the Company, suspension/ dismissal from the services of the Company or any such action as is deemed to be fit considering the gravity of the matter.

**“Employee”** means every employee of the Company including the Directors in the whole-time employment of the Company.



**“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 with respect to the Company. Protected Disclosures should be factual and not speculative or in the nature of an interpretations/conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

**“Subject”** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

**“Whistle Blower”** means an Employee who makes a Protected Disclosure under this Policy.

### **3. APPLICABILITY**

The Code has been framed and adopted by the Company in compliance with the provisions of Section 177 of the Companies Act, 2013 (the "Act") read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 (the "Rules") and regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), which requires mandatory establishment of vigil mechanism for the directors and employees of the Company to report their genuine concerns in the prescribed manner. Reference to statutory provisions or regulations shall be construed as meaning and including references to any amendment or re-enactment and any amendments to any statutory provisions or regulations or clarifications applicable to the Code shall automatically be deemed to be included in the Code, without any further amendment of the Code by the Board or relevant committee of the Board.

### **4. OBJECTS**

The Policy is defined to:

- a) provide a framework for a fair and efficient way of dealing with whistleblowing incidences by respecting the rights of all parties involved;
- b) transparently communicate Company's investigation process on such reporting;



- c) assure the whistle blower (one who reports in good faith) on utmost confidentiality and effective protection against any retaliation or reprisals, whether actual or threatened, as a result of whistleblowing;
- d) affirm direct access to the CEO / Chairman of the Audit Committee in exceptional cases.

## 5. COVERAGE OF POLICY

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

- An abuse of authority;
- Breach of employment contract;
- Manipulation of company data/records;
- Financial or compliance irregularities, including fraud, or suspected fraud;
- Criminal offence having repercussions on the company or its reputation;
- Pilferation of confidential/proprietary information;

## 6. SCOPE

Various Stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- a. Employees of the Company and their representative bodies
- b. Directors of the Company
- c. Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location
- d. Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
- e. Customers of the Company
- f. Any other person having an association with the Company

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

## 7. REPORTING

Everyone is required to report to the Company any suspected violation of any law that applies to the Company and any suspected violation of the Company's Code of Conduct



and Ethics. It is important that you report all suspected violations. This includes possible accounting or financial reporting violations, insider trading, leak of unpublished price sensitive information, bribery, or violations of the anti-retaliation aspects of this Policy. Consult the Company's Code of Conduct for a more detailed description of potential violations and other areas of particular concern. Retaliation includes adverse actions, harassment, or discrimination relating to your reporting of a suspected violation.

It is the policy of the Company that you must, when you reasonably suspect that a violation of an applicable law or the Company's Code of Conduct and Ethics has occurred or is occurring, report that potential violation. Reporting is crucial for early detection, proper investigation and remediation, and deterrence of violations of Company policies or applicable laws. You should not fear any negative consequences for reporting reasonably suspected violations because retaliation for reporting suspected violations is strictly prohibited by Company policy. Failure to report any reasonable belief that a violation has occurred or is occurring is itself a violation of this Policy and such failure will be addressed with appropriate disciplinary action, including possible termination of employment.

## **8. ANONYMOUS ALLEGATION**

Whistleblowers must put their names to the allegations made by them because follow-up action & investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily not be investigated.

## **9. INVESTIGATION**

- a. All Protected Disclosures will be investigated by the Company Secretary. The Company Secretary may involve any of the officers of the Company for the purpose of investigation.
- b. The decision to conduct an investigation by the Company Secretary / Chairman of the Audit Committee is not an accusation by itself and is to be treated as a neutral, fact-finding process.
- c. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- d. The Subjects will normally be informed of the allegations at the outset of a formal investigation and shall be given opportunity to provide their inputs during the investigation.
- e. The Subjects shall have a duty to co-operate during the investigation process to the extent that such co-operation will not compromise self incrimination protections available under the applicable laws.
- f. The 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. If the Subject is found indulging in any such action, he/she shall be liable for disciplinary action. Under no circumstances, Subjects can compel investigators to disclose the identity of the Whistle Blower.

- g. 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.
- h. The Subjects have a right to be informed about the outcome of investigation. 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. Whistle Blower Policy & Vigil Mechanism.
- i. The investigation shall be completed expeditiously and in any case within 45 days of the receipt of the Protected Disclosure unless Chairman of the Audit Committee grants further time in exceptional cases.

## **10. PROTECTION OF WHISTLE BLOWERS**

- i. The company is committed to ensuring that no Whistle Blower will face unfair treatment for making a Protected Disclosure under this Policy. All reports made in good faith will be taken seriously and investigated thoroughly, and the individual making the disclosure will be protected from any form of retaliation or discrimination.
- ii. The Company condemns any form of discrimination, harassment, victimization, or other unfair employment practices against Whistle Blowers. Complete protection will, therefore, be provided to Whistle Blowers against any unfair practices such as retaliation, threats, or intimidation involving termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or similar actions. This includes any direct or indirect use of authority to obstruct the Whistle Blower's right to continue performing their duties/functions, including making further Protected Disclosures.
- iii. If a Whistle Blower is victimized, discriminated or retaliated against, he/ she may lodge a complaint with the Chairman of the Audit Committee. Such complaint shall be promptly investigated and appropriate action shall be taken.
- iv. An employee who retaliates against a Whistle Blower will be subject to disciplinary action including termination of employment.
- v. Protection under this Policy will not mean protection from disciplinary action arising out of false or vague allegations made by a Whistle Blower knowing it to be false, vague or with malafide intention. A Whistle Blower, who makes a Protected



Disclosure, which is subsequently found to be malafide, frivolous or malicious, shall be liable to be prosecuted under the Company's Code of Conduct.

- vi. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- vii. This protection shall also be available to the person against whom a complaint has been raised under this Policy. The right to punish the person, if found guilty, lies only with the Chairman of the Audit Committee Whistle Blower Policy & Vigil Mechanism and thus person should also be duly protected against any unnecessary harassment by the other employees of the Company.

All reports under this Policy will be promptly and appropriately investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. Everyone working for or with the Company has a duty to cooperate in the investigation of reports of violations. Failure to cooperate in an investigation, or deliberately providing false information during an investigation, can be the basis for disciplinary action, including termination of employment.

If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company policy.

## **11. SECRECY/CONFIDENTIALITY**

The Whistle Blower, the Subject, the Senior Officer(s) and everyone involved in the process shall:

- maintain complete confidentiality/ secrecy of the matter under this Policy;
- not discuss the matters under this Policy in any informal/social gatherings/ meetings;
- discuss only to the extent or with the persons required for the purpose of completing the process and investigations as directed by Audit Committee;
- not keep the papers unattended anywhere at any time;
- keep the electronic mails/files under password



If anyone is found not complying with the above, he/ she shall be held liable for such Disciplinary Action as is considered fit by the Audit Committee as the case may be.

## **12. DOCUMENT RETENTION AND AMENDMENT**

All Protected Disclosures, documented along with the results of Investigation relating thereto, shall be retained by the Company Secretary for a minimum period of 5 (five) years or as mentioned in applicable law, if any.

This Policy may be amended from time to time by the Board on the recommendation of the Audit Committee.

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