



GTN INDUSTRIES LIMITED

WHISTLE BLOWER(VIGIL MACHANISM) POLICY

1. Preface

- a. 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. Towards this end, the Company has adopted the GTN Industries Code of Conduct ("the Code") copy enclosed, 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. The role of the employees in pointing out such violations of the Code cannot be undermined. There is a provision under the Code requiring employees to report violations, which states:

Every employee of GTN Industries shall promptly report to the management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the GTN Industries.

- b. Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges has been amended which is effective from 1st October 2014, interalia, provides for a requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct or ethics policy.
- c. 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 Ethics Counsellor/Chairman of the Audit Committee of the Company.

2. Definitions

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

- a. **"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 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

- b. **"Disciplinary Action"** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- c. **"Employee"** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- d. **"Code"** means the GTN Industries Code of Conduct.
- e. **"Investigators"** means those persons authorized, appointed, consulted or approached by the Audit Committee in connection with conducting investigation into a protected disclosure and includes the auditors of the Company and the Police.
- f. **"Protected Disclosure"** means a concern raised by an employee or group of employees or director(s) of the Company, through a written communication made in good faith that discloses or demonstrates information that may evidence actual or possible violation of the Code of Conduct or an activity which may endanger the interest of the Company or any other unlawful or unethical or improper practice or act or activity concerning the Company.
- g. **"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.
- h. **"Whistle Blower"** means an Employee making a Protected Disclosure under this Policy.
- i. **"Good Faith"** An employee shall be deemed to be communicating in "good faith" if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

3. Scope

- a. This Policy is an extension of the GTN Industries 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.
- b. 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 Ethics Counsellor or the Chairman of the Audit Committee or the Investigators.

- c. Protected Disclosure will be appropriately dealt with by the Ethics Counsellor or the Chairman of the Audit Committee, as the case may be.
- d. **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 data/records of GTN Industries Limited
 - (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) Pilferation of confidential/propriety information
 - (h) Deliberate violation of law/regulation
 - (i) Wastage/misappropriation of GTN Industries Limited funds/assets
 - (j) Breach of GTN Industries Limited Policy or failure to implement or comply with any approved GTN Industries Limited Policy

4. Eligibility

All Employees of the Company including Head office and Factory are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or any of its Units.

5. Disqualifications

- a. 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.
- b. 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.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

6. Procedure

- a. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee/CE (F&C) of the Company for investigation.
- b. In respect of all other Protected Disclosures, those concerning the Ethics Counsellor and employees at the levels of General Manager and above

should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees i.e below General Manager level should be addressed to the Ethics Counsellor(s) of the Company.

- c. (i) The contact details of the Chairman of the Audit Committee are **Shri Ranganath M V** 22,Cardmaster Enclave, 205 Akbar Road, ADRIN Diamond Point, Tadbund, Secundrabad- 500 009

- (ii) The contact details of the Chief Ethics Counsellor(s) are as under:

a). **Factory Nagpur)**

- | | | | |
|-----|------------------|---|---------------|
| 1). | Mr. T.Kumar | - | Sr.V.P(Works) |
| 2). | Mr. Kiran Chopde | - | DGM(Accts) |

GTN Industries Limited,

Nagpur Factory:

Village Khurjagaons, Taluk Saoner,Dist. Nagpur Maharastra State - 441112

b). **City Office:**

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|-----|-------------------------|---|---------------------|
| 1). | Mr.Sushil Kumar Maskara | - | Authorised Official |
| 2). | Mr P.Prabhakara Rao | - | Company Secretary, |
| 3). | Mr. V S V Swamy | - | Sr.DGM(F& A) |

GTN Industries Limited:

Plot No.29, Nagarjuna Hills,Punjabgutta, Hyderabad – 500 082 T.G

- d. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Ethics Counsellor, the same should be forwarded to the Company's Ethics Counsellor or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- e. Protected Disclosures should preferably be reported in writing 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 or in the regional language of the place of employment of the Whistle Blower.
- f. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee / Ethics Counsellor, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- g. 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.

- h. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

7. Investigation

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Counsellor / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b. The Ethics Counsellor / Chairman of the Audit Committee may at his discretion, consider involving any employee for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Ethics Counsellor/ Chairman of the Audit 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.
- d. 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.
- e. 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.
- f. Subjects shall have a duty to co-operate with the Ethics Counsellor/ Chairman of the Audit 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.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Ethics Counsellor/ Investigators and/or members of the Audit 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.
- h. 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.
- i. 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 wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the 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.

- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Protection

- a. 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.

- b. 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.
- c. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Ethics Counsellor/ Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Ethics Counsellor, as the case may be, which establishes that:

- i. the alleged act constitutes an improper or unethical activity or conduct, and
- ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

10. Reporting

The Ethics Counsellor 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.

11. 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.

12. 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 unless the same is notified to the Employees in writing.

13. Decision

If an investigation leads the Ethics Counsellor/Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Ethics Counsellor/Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Ethics Counsellor/Chairman of the Audit Committee 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.

Code of Conduct (Pursuant to Clause 49 of Listing Agreement)

This Code of Conduct (hereinafter referred to as "the Code") has been framed and adopted by GTN Industries Limited (hereinafter referred to as "the Company") in compliance with the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

This Code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and deal with ethical issues and to provide mechanisms to report unethical conduct of Employees, Board of Directors and Senior Management Personnel and to develop a culture of honesty and accountability.

1. DEFINITIONS & INTERPRETATION

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

"Board Members" shall mean the Directors on the Board of Directors of the Company.

"Whole-time Directors" shall mean the Board Members who are in whole-time employment of the Company.

"Part time Directors" shall mean the Board Members who are not in whole time employment of the Company.

"Relative" shall mean 'relative' as defined in Clause 77 of Section 2 and read with Rule 4 of Chapter I Companies (Specification of Definitions Details) Rules, 2014 of the Companies Act, 2013.

"Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise of all members of management one level below the executive directors, including viz. Company Secretary, Manager, CEO, CFO, all Functional Heads, all Unit Heads, Presidents, Joint Presidents and all other executives having similar or equivalent rank in the Company

"The Company" shall mean GTN Industries Limited.

2. APPLICABILITY

The Code applies to the following personnel:

Board Members (whether Whole Time Directors or Part Time Directors including Independent and Nominee Directors)

Senior Management Personnel of the Company

3. CODE OF CONDUCT

The Board Members and Senior Management Personnel shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability

and judgment.

The Board Members and the Senior Management Personnel of the Company:

1. Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
2. Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
3. Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which, in his opinion, is likely to arise.
4. Shall not utilize bribery or corruption in conducting the Company's business. No Director or employee will offer or provide either directly or indirectly any undue pecuniary or other advantages for the purpose of obtaining, retaining, directing or securing any improper business advantage.
5. Shall not indulge themselves in Insider Trading and shall comply with the Insider Trading Code and Insider Trading Regulations as laid down by SEBI and the Company.
6. Shall ensure that they shall protect the Company's assets and properties including physical assets, information and intellectual rights and not use the same for their personal gain.
7. Shall not seek or accept any compensation (in any form), directly or indirectly, for services performed for the Company from any source other than the Company.
8. Shall not, without the prior approval of the Board or Senior Management, as the case may be, accepts employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of the Company and shall not allow personal interest to conflict with the interest of the Company.
9. Shall not receive any gift, payments or favor in whatsoever form from Company's business associates, which can be perceived as being given to gain favor or dealing with the Company and shall ensure that the Company's interests are never compromised.
10. Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized. However, that Board Members and Senior Management Personnel shall be free to disclose such information as is part of the public domain at the time of disclosure/ authorized or required to be disclosed pursuant to a decision of the Board/ required to be disclosed in accordance with applicable laws, rules, regulations or guidelines or to any authority.
11. Shall avoid any dealings with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.
12. Shall avoid conducting business with (a) a relative (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he or his relative holds 2% or more shares or voting right and (d) with a firm in which the relative is a partner, except with the prior approval of the Board, and shall make proper disclosure of related party transactions to the Board of Directors, the Chairman and Managing Director or the Competent Authority under the provisions of Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
13. Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy resulting in a conviction.

4. ROLE AND FUNCTION OF INDEPENDENT DIRECTORS:

The independent directors:

1. Shall help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. Shall bring an objective view in the evaluation of the performance of board and management;
3. Shall scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Shall satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. Shall safeguard the interests of all stakeholders, particularly the minority shareholders;
6. Shall balance the conflicting interest of the stakeholders;
7. Shall determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. Shall moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

5. DUTIES OF INDEPENDENT DIRECTORS:

The independent directors:

1. Shall undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. Shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. Shall strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. Shall participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. Shall strive to attend the general meetings of the company;
6. Shall where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. Shall keep themselves well informed about the company and the external environment in which it operates;
8. Shall not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. Shall pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
10. Shall ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

11. Shall report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. Shall acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. Shall not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

6. DISCLOSURE OF INFORMATION :-

Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.

7. COMMUNICATION OF VIOLATIONS :-

Directors shall communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee. Senior Management should communicate any suspected violation of this code to the Managing Director who in turn shall communicate it to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

8. CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE :-

In case of breach of this Code, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary. Any waiver of this Code may be made only by the Board of Directors and must be promptly disclosed to the Company's shareholders.

9. PLACEMENT OF THE CODE ON WEBSITE :-

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendments thereto shall be posted on the website of the Company.

10. ANNUAL COMPLIANCE REPORTING :-

In terms of Clause 49 of the Listing Agreement, all Board Members and Senior Management Personnel shall affirm compliance of this Code within 30 days of close of every financial year. **Compliance Report shall be forwarded to the Company Secretary, in such form and manner as may be prescribed from time to time.**

11. ACKNOWLEDGEMENT OF RECEIPT OF THIS CODE :-

All Board Members and Senior Management Personnel shall acknowledge the receipt of this Code or any modification(s) thereto, in the acknowledgement form and forward the same to the Company Secretary.