

## Vigil Mechanism & Whistleblower Policy

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### I. Introduction

International Tractors Limited (“ITL”) is committed to conducting business with integrity, including in accordance with all applicable laws and regulations. ITL is committed to adhere to the highest standards of ethical, moral & legal conduct of business operations. To maintain these standards, ITL encourages its directors & employees, who have concerns / information about any suspected misconduct, to come forward & express these concerns without fear of punishment or unfair treatment.

The Vigil Mechanism aims to provide an avenue for directors and employees to bring to the notice of the Vigilance Officer Chairperson of the Audit Committee, if he / she observes an unethical or improper practice is taking place as stated in Article V (“Scope”) hereunder.

ITL is committed to ensure that there is a mechanism in place to enable the reporting of such violations.

### II. Establishment of Vigil Mechanism

Section 177(9) of the Companies Act, 2013 and the relevant Rules thereof requires ITL to establish a Vigil Mechanism for the directors and employees to report genuine concerns or grievances. Such Vigil Mechanism shall provide for adequate safeguards against victimization of persons ie., directors & employees.

### III. Objective of Vigil Mechanism

Vigil Mechanism aims to provide a channel to its directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud & about the matters as stated in Article 4 hereunder. ITL is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, ITL encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Vigil Mechanism provides for adequate safeguards against victimization of directors and employees and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases.

This neither releases directors & employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

### IV. Terms and References

In this Policy, the following terms shall have the following meanings:

“**Audit Committee**” means the Audit Committee of the Board constituted by ITL in accordance with Section 177 of the Companies Act, 2013, which has responsibility for supervising the development and implementation of this Policy.

“**Director**” means Director of ITL.

**“Employee”** means every employee of ITL.

**“Protected Disclosure”** means a written communication made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity.

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

**“Whistleblower”** means any Employee or Director who makes a Disclosure under this Policy.

## **V. Scope**

The Policy covers disclosure of any unethical and improper or malpractices and events which have taken place / suspected to take place, including but not limited to :

- Unauthorisedly breach of ITL’s policies framed time to time
- Breach of business integrity and ethics
- Unethical / immoral act, behavior of males & females during their working
- Victimization of directors & employees
- Allowing excess material / goods to go out or accepting short supply thereof
- Breach of terms and conditions of employment and rules thereof
- Intentional financial irregularities, including fraud or suspected fraud
- Gross or wilful negligence causing substantial and specific danger to health, safety and environment
- Manipulation of company data / policies / non- public information / records / 2D or 3D industrial drawings, designs, patents, specifications, prototypes etc.
- Getting favours from labour contractors / other contractors
- Unscrupulous acts in the process of recruitment
- Pilferation of confidential / proprietary information
- Any sabotage, conspiracy about the affairs of ITL
- Use of narcotics, intoxicants etc.
- Taking favour from Associates / Channel Partners ie., misusing the position & accepting of gifts therefrom
- Extending undue favour to Associates / Channel Partners

- Awarding business to blood relatives without the written approval of the Management
- Running own business without the written approval of the Management
- Wastage / misappropriation / misutilisation / damage to Company property / assets / funds
- Any other act that causes financial loss or maligns ITL's reputation
- Gender bias
- Acts of dishonesty / disloyalty

## **VI. Eligibility**

All Directors and Employees of ITL are eligible to make Disclosures under the Policy in relation to matters concerning ITL.

## **VII. Policy**

### **A) Responsibility to Report**

The Disclosures are to be made whenever any Employee or Director becomes aware of any unethical and improper or malpractices and events as stated supra. The Disclosure should be made promptly upon the Employee or Director becoming aware of any such matter. Any such matter should be reported in accordance with the reporting mechanism described below.

### **B) Role of the Whistleblower**

The Whistleblower's role is that of a reporting party with reliable information. He / she is not required or expected to act as investigator or finder of facts, nor would he / she determines the appropriate corrective or remedial action that may be warranted in a given case. The Whistleblower should not act on his / her own in conducting any investigative activities, nor do he / she has a right to participate in any investigative activities other than as requested by the Audit Committee.

### **C) Reporting Mechanism**

- a. All Disclosures should be reported in writing by the Whistleblower as soon as possible, not later than forty eight (48) hours after the Whistleblower becomes aware of the same 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 Whistleblower.
- b. The Disclosure should be submitted under a duly signed covering letter bearing the identity of the Whistleblower in a closed and secured envelope and should be superscribed as "***Disclosure under the Vigil Policy***" & put in the dedicated box or sent through e-mail at the dedicated e-mail ID with the subject "Disclosure under the Vigil Policy". The dedicated mobile phone number may also be used for the purpose.
- c. All Disclosures should be addressed to the Vigilance Officer of ITL or to the Chairperson of the Audit

Committee in exceptional cases. The contact details of the Vigilance Officer & the Chairperson of the of the Audit Committee are as under :-

**Vigilance Officer**

Head – Human Resource Development Deptt.  
International Tractors Limited  
Village Chak Gujran, PO Piplanwala 146 022  
Jalandhar Road, Hoshiarpur Punjab

Dedicated E-mail ID :- whistleblower@sonalika.com

Dedicated Phone : 8196980000

**Chairperson of Audit Committee**

The Chairperson  
Audit Committee  
International Tractors Limited  
Village Chak Gujran, PO Piplanwala 146 022  
Jalandhar Road, Hoshiarpur Punjab

Dedicated E-mail ID :- whistleblower@sonalika.com

Dedicated Phone : 8196980000

d. In order to protect the identity of the Whistleblower, the Vigilance Officer / Chairperson of the Audit Committee will not issue any acknowledgement to the Whistleblower and further, Whistleblowers are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer / Chairperson of the Audit Committee.

e. If a Disclosure is received by any executive of ITL other than the Vigilance Officer or the Chairperson of Audit Committee, the same should be forwarded to the concerned for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.

f. On receipt of the Disclosure, the Vigilance Officer / Chairperson of the Audit Committee, as the case may be shall detach the covering letter bearing the identity of the Whistleblower and process only the Disclosure.

g. The 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 and the urgency of a preliminary investigative procedure.

h. The anonymous / vague / mala fide Disclosure shall not be entertained.

**D) Format for Making a Protected Disclosure**

To enable the proper investigation of any matter, a Disclosure should include as much information as possible concerning the matter. To the extent possible, the following information should be provided :

- a. the nature of the matter;
- b. the names of the Employees or the Directors to which the matter relates;
- c. the relevant factual background concerning the matter; and
- d. basis for the Disclosure (for example, where knowledge of the alleged violation is based upon documents in the Whistleblower's possession or control, please provide a copy of the pertinent documents).

### **E) Protection of Whistleblowers**

If a Whistleblower does provide his or her name when making a Disclosure, ITL will keep the identity of the Whistleblower confidential. The fact that a Disclosure has been made will also be kept confidential. This will be done in all circumstances except as otherwise required by law and to the extent possible while allowing an investigation to proceed.

A Whistleblower may make a Disclosure without fear of retaliation or intimidation. ITL prohibits its Employees from engaging in retaliation or intimidation that is directed against a Whistleblower. Employees who engage in retaliation or intimidation in violation of this Policy will be subject to disciplinary action, which may include suspension / dismissal.

However, if a Whistleblower has been found to have made a deliberately false Disclosure, that Whistleblower may be subject to disciplinary action, which may include issuance of warning letter / suspension / dismissal.

### **F) Investigation**

- a. All Disclosures reported under this Policy will be thoroughly investigated by the Vigilance Officer / Chairperson of the Audit Committee, as the case may be, who will investigate / oversee the investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he / she should recuse himself / herself and the other members of the Audit Committee should deal with the matter on hand.
- b. The Vigilance Officer, after investigation, shall refer the matter to the Audit Committee for disposal.
- c. The Vigilance Officer / Chairperson of the Audit Committee may consider, at its own discretion, for involving any other officer of ITL & after consulting & getting the prior written approval of the Management of the Company, engage an outside agency for the purpose of investigation.
- d. The Audit Committee, if deems fit, may call for further information or particulars from the Whistle Blower and may conduct further investigation.
- e. The decision to conduct an investigation taken by the Vigilance Officer / Chairperson 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 complaint of the Whistle Blower.
- f. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- g. 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.

h. Subjects shall have a duty to co-operate with the Vigilance Officer / Chairperson 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.

i. 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 Subjects.

j. 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.

k. Subjects may be informed of the outcome of the investigation.

l. The investigation shall be completed normally within seven (7) days of the receipt of the Disclosure and is extendable by such period as the Audit Committee deems fit.

## **G. Decision**

If an investigation leads the Audit Committee to a conclusion that an improper or unethical act has been committed, the Audit Committee shall recommend to the Board of Directors of ITL to take such disciplinary or corrective action as it may deem fit. Any disciplinary or corrective action initiated against the Subject(s) 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.

## **H. Reporting**

A half-yearly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

## **I. Protection**

a. No unfair treatment will be meted out to a Whistleblower by virtue of his / her having reported a Disclosure under this Policy. ITL, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower's right to continue to perform his / her duties / functions including making further Disclosure. ITL will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, ITL will arrange for the Whistleblower to receive advice about the procedure, etc.

b. A Whistleblower may report any violation of the above Article to the Chairperson of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

c. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Vigilance Officer / Audit Committee (e.g., during investigations) and / or if the case is reported to the police / court. Any officer assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

**VIII. Confidentiality**

The Whistleblower, Vigilance Officer, Members of Audit Committee, Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this Policy for completing the process of investigations and keep the papers in safe custody.

**IX. Disqualifications**

a. While it will be ensured that genuine Whistleblower 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 Whistleblower knowing it to be false or bogus or with a malafide intention.

c. Whistleblower, who make any Disclosures, which have been subsequently found to be malafide, frivolous, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Disclosures under this Policy. In respect of such Whistleblowers, ITL / Audit Committee would reserve its right to take / recommend appropriate disciplinary action.

**X. Retention of Documents**

All Disclosures in writing or documented alongwith the results of investigation relating thereto shall be retained by ITL for the period it deems fit.

**XI. Amendment**

ITL reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

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