

## **WHISTLE BLOWER / VIGIL MECHANISM POLICY**

### **I. PREAMBLE**

Section 177(9) of the Companies Act, 2013 effective from April 1, 2014 and Clause 49 (amended) of the Listing Agreement between listed companies and the Stock Exchanges effective from October 1, 2014, inter alia, provides for a mandatory requirement for all listed companies to establish a vigil mechanism called 'Whistle Blower Policy' for directors and 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.

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 behavior. Towards this end, this policy is formulated to provide an opportunity to employees to access, in good faith, the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse personal action against those employees.

### **II. DEFINITIONS**

**"Adverse Personnel Action"** : An employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.

**"Alleged Wrongful Conduct"** : Violation of law, infringement of Company's Code of Conduct or ethic policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

**"Audit Committee"**: A Committee of Board of Directors of the Company, constituted in accordance with provisions of Section 177 of Companies Act, 2013 read with Clause 49 (amended) of Listing Agreement entered into by the Company with Stock Exchanges.

**"Company"**: "Ludlow Jute & Specialities Limited."

**"Compliance Officer"**: "Company Secretary" of the Company.

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

**"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 of 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.

**“Managerial Personnel”** shall include every Executive at the level of Manager and above, who has authority to make or materially influence significant personnel decisions.

**“Policy or This Policy”** means, “Whistle Blower Policy.”

**“Protected Disclosure”**: Any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

**“Unethical and improper practices”**:

- a) An act which does not conform to approved standard of social and professional behaviour;
- b) An act which leads to unethical business practices;
- c) Improper or unethical conduct;
- d) Breach of etiquette or morally offensive behaviour, etc.

**“Whistle Blower”** : An employee of the Company who makes Protected Disclosure in good faith about any unethical & improper practices or alleged wrongful conduct to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to the Chairman of Audit Committee in writing.

### **III. INTERPRETATION**

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

### **IV. SCOPE**

This Policy is an extension of the Company’s Code of Conduct. The Whistle Blower’s role is that of a reporting party with reliable information. He/ She is not required or expected to act as investigators or finders of facts, nor would such person determine the appropriate corrective or remedial action that may be warranted in a given case. Moreover, The Whistle Blower(s) does not have right to participate in any investigation activity until so requested by the Chairman of Audit Committee in writing.

### **V. APPLICABILITY/ ELIGIBILITY**

This policy applies to all permanent employees and directors of the Company to make Protected Disclosure under the policy.

### **VI. OBJECTIVE & SCOPE**

- a) This policy covers malpractices and misconducts which have taken place / suspected to have taken place and other matters or activity on account of which the interest of the Company is believed to have been affected.
- b) An intimation of concern or misconduct made in good faith may be raised by a director, an employee, or group of employees of the Company, through a written communication under a covering letter signed by all the whistle blower(s) which should be submitted in a closed/secured envelope to the Company Secretary of the Company who shall act as the vigilance officer to receive such complaints from the whistle blower(s) and coordinate with the audit committee, who shall

oversee the vigil mechanism for disposal of the complaint and inform the whistle blower(s) the results thereof on conclusion of its investigation.

- c)** The identity of the whistle blower(s) shall be kept confidential. Further information as required from the whistle blower(s) may be called for, as may be deemed fit by the Audit Committee.
- d)** The concerned director or employee making complain shall have direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
- e)** The Audit Committee may investigate and may at its discretion consider involving any other officer of the company and / or an external agency to carry out investigation and report the outcome of the investigation to the Audit Committee.
- f)** If an investigation leads to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall report to the Board of directors of the company who will take such disciplinary or corrective action as may deem fit.
- g)** No unfair treatment will be meted out to the Whistle Blower(s) by virtue of his/her reporting under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against any Whistle Blower(s) and shall provide necessary protection to the Whistle Blower(s).
- h)** Anonymous complaints shall not be entertained. The complaint should be supported with specific factual information and should not be on the basis of speculation or interpretation. Any complaint not made in good faith as per opinion of the Audit Committee shall be viewed seriously and the Company may take suitable action against the concerned director or employee including reprimand, decrement, termination, etc.
- i)** The Company reserves its right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever.

The details of establishment of vigil mechanism/whistle blower policy shall be disclosed by the Company on Notice Board at its Registered Office and on its website.