

**VENUS HOME APPLIANCES PRIVATE LIMITED (VHAPL)  
VIGIL MECHANISM/WHISTLE BLOWER POLICY**

**Introduction:**

Section 177 (9) states that every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.

A vigil mechanism provides a channel to employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or any Policy of the Company. Section 177 of the Companies Act, 2013

The term "whistle-blowing" originates from the practice of British policemen who blew their whistles whenever they observed commission of a crime. Whistle blowing means calling the attention of the top management to some wrongdoing occurring within an organization.

A whistle blower may be an employee, former employee or member of an organisation, a government agency, who have willingness to take corrective action on the misconduct.

**Applicability:**

The Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees in a financial year.

As per Sec.177 of the Companies Act,2013, certain companies have to establish Vigil/Whistle-blowing mechanism to report any unethical behaviour or other concerns to the management.

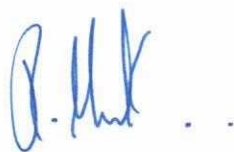
Section 177 became applicable to VHAPL from the year 2023-24. As at 31<sup>st</sup> March 2023, the outstanding loans from banks and financial institutions was more than Rs. 50 crores and hence the provisions became applicable.

**Types of Whistle Blower:**

**1. Internal:**

A Whistle Blower may be within the organization who discloses any illegal, immoral or illegitimate practices to the employer. He/she may be;

- Employee
- Superior officer or
- Any designated officer



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### 2. External:

A whistle Blower may be outside the organization who discloses any illegal, immoral or illegitimate practices to the company. He/She may be;

- Lawyers
- Media
- Law enforcement
- Watchdog agencies

### Objectives of whistle-blowing:

- To encourage employees to bring ethical and legal violations they are aware of to an internal authority so that action can be taken immediately to resolve the problem
- To minimize the organization's exposure to the damage that can occur when employees circumvent internal mechanisms
- To let employees know the organization is serious about adherence to codes of conduct

### Barriers to Whistle-Blowing:

- A lack of trust in the internal system
- Unwillingness of employees to be "snitches"
- Belief that management is not held to the same standard
- Fear of retaliation
- Fear of alienation from peers

### Who Can Make Disclosure:

Under the Whistle Blower Policy, any Director on the Board of KFPL, employees of KFPL can make Protected Disclosure under this Policy.

### Protection to Whistle Blower:

Under Whistle Blower Policy, VHAPL shall ensure that the person who has made a Protected Disclosure under the Policy or rendered assistance in inquiry under the Policy, is not victimised by initiation of any proceedings or otherwise, merely on raising alarm over an act of corruption, misuse of power or discretion, to report concerns about unethical behaviour, actual or suspected fraud, leakage of unpublished price sensitive information or suspected leakage of unpublished price sensitive information or violation of the Code of Business Conduct and Ethics for VHAPL's Board of Directors and Employees in VHAPL. The identity of the Whistle Blower will not be revealed unless the complainant himself has made the details of the complaint either public or disclosed his identity to any other office or authority.

The protection is available provided that:

- i. The disclosure/ complaint has been made in good faith.
- ii. The complainant/ Whistle Blower is not acting for personal gain
- iii. The complainant/ Whistle Blower reasonably believe that information or any allegation contained in the complaint / disclosure, is substantially true.

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If the employee raising alarm as whistle blower, is aggrieved by any action on the ground that he is being victimized due to the fact that he had filed a complaint or disclosure, he may file an application before the any executive director or any director or Managing Director, seeking redressal in the matter, who shall take such action as deemed fit.

However, if the complaint is found to be vexatious or misleading, the Board may direct proceedings against the complainant.

### **Procedure for Disclosure / Complaint under Vigil Mechanism:**

Normally, A whistle Blower communication can reach the Directors through any of the following ways:

- 1) Oral or written information given in person
- 2) Telephone conversation
- 3) WhatsApp messages
- 4) Emails
- 5) Letters

### **Procedure for protected Disclosure:**

In case of Whistle Blower communication received in a sealed cover/envelope, the following procedure should be followed:

VHAPL will have the responsibility of keeping the identity of the directors, employee making disclosure as confidential. However, the person making any protected disclosure should comply with the following aspects:

- i. The complaint should be in a closed/secured envelope addressed to any executive director or any director or Managing Director of Board as under.

### **The executive director or any director or Managing Director**

Venus Home Appliances Private Limited  
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Mangammal Salai  
Thoothukudi - 628003

- ii. The envelope should be super scribed "CONFIDENTIAL". If the envelope is not super scribed and closed, it may not be possible to protect the identity of person making disclosure under this Policy and the complaint will be dealt with as per the normal complaint policy of the organisation. The complainant should give his/her name and address in the beginning or end of complaint or in an attached letter. Any particulars w.r.t, Name, Address, etc. which may disclose the identity of the complainant shall not be mentioned on the envelope.
- iii. Anonymous/pseudonymous complaints shall not be entertained.
- iv. The details of the complaint should be specific and verifiable.

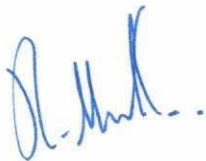
- v. In order to protect identity of the person, VHAPL will not issue any acknowledgement and the whistle-blowers are advised not to enter into any further correspondence with VHAPL in their own interest. VHAPL assures that, subject to the facts of the case being verifiable, it will take necessary action, as provided in the Policy. If any clarification is required, VHAPL will get in touch with the complainant.
- vi. Whistle blower should refrain from sending reminder or seeking further development/ action taken regarding disclosure made by him so as to protect his/her identity.
- vii. An employee who knowingly makes false allegations under this Policy, shall be subject to disciplinary action and will not be protected under the Whistle Blower Policy.
- viii. The Whistle Blower shall also declare that he / she has not made any complaint on the same subject matter to any outside Authority / Agency or under any other available mechanism provided by the Company.
- ix. No action on the complaint shall be initiated in case the identity of the complainant is not provided or the same is found to be false or incorrect.

## Procedure for Handling whistle Blower Complaints

- 1) In case of an envelope not super-subscribed with Protected Disclosure, all the Directors who ever is available shall have the authority to open the envelopes/letters on their own.
- 2) All the envelopes super-scribed with "CONFIDENTIAL" will be opened in the presence of all Directors.
- 3) Once the any executive director or any director or Managing Director approves admitting of the Complaint under Whistle Blower Policy the same will be entered into a Register maintained for this purpose containing brief particulars of the disclosure received under this Policy and a Unique Reference Number (URN) will be assigned to the Complainant.
- 4) Any further correspondence in respect to the complaint shall be addressed vide the URN assigned against it.
- 5) Within a reasonable period of receipt of a disclosure, the executive director or any director or Managing Director shall provide an initial response to the Whistle Blower on a selective basis.
- 6) The executive director or any director or Managing Director shall prepare a brief note along with supporting documents on the complaint received and shall place the same before the Board of Directors for necessary directions. The note prepared will not contain any particular w.r.t. the identity of the complainant.

Periodic report on the complaints received under this Policy shall be placed before the Board of Directors for review.

- 7) Any disclosure relating to Fraud and subject matters having vigilance implications will be brought to the notice of the Board of Directors for further action.



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## Amendment of Vigil/Whistle Blower Policy:

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

## Responsibility for implementation:

The Board of Directors of VHAPL shall have the responsibility for overseeing the Vigil Mechanism in VHAPL.

## Publicity on Website:

This Whistle Blower Policy shall be placed on website and circulated through intranet for awareness among employees of VHAPL .

## SAMPLE FORMAT FOR WHISTLE BLOWING:

Date:	
Name of the Employee/Director:	
E- mail id of the employee/Director :	

Communication Address :	
Contact No :	
Subject matter which is reported :	
(Name of the person/ event focused at) :	
Brief about the concern :	
Evidence (enclose, if any) :	



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### Note:

The whistle blowing shall be submitted at least within 30 days of the occurrence of the concern/event (or) before occurrence

### VENUS HOME APPLIANCES PRIVATE LIMITED

Place: Tuticorin  
Date: 26/07/2023

I. RAMKUMAR  
(DIN: 0027206)  
MANAGING DIRECTOR

R. MURALI GANESAN  
(DIN: 00016682)  
WHOLE-TIME DIRECTOR