

## Vigil Mechanism (Whistle Blower Policy)

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### 1. Introduction

- 1.1 The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. The Company is committed to develop a culture enabling stakeholders, including, Directors, individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices
- 1.2 The employees should report to the Chief Financial Officer (CFO) or Executive Director (ED), any misconduct or any illegal activity, fraud or abuse of Company's assets, on becoming aware of it. The directors and employees reporting any misconduct shall be suitably protected and no unjust action will be taken against any such employee.
- 1.3 The Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that every listed company shall ensure instituting a mechanism for the Stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- 1.4 Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 requires that every listed company shall have a whistle blower policy and make employees aware of such policy to enable employees to report instances of leakage of unpublished price sensitive information effective from April 01, 2019.

### 2.0 Objective

- 2.1 This Whistle Blower Policy through which the Company seeks to provide a mechanism for the Stakeholders, including directors and Employees to disclose their genuine concerns or grievances regarding any Unethical Behaviour and improper practices and wrongful conduct taking place in the Company for appropriate action. Through this policy, the Company provides necessary safeguards to all Whistle Blowers for making protected disclosures in good faith and any stakeholder assisting the investigation.
- 2.2 The Company shall propagate the existence and contents of this Policy to all the Stakeholders. The Company shall disclose the details of establishment of such a mechanism on its website and also in the Board's report.

### 3.0 Definitions

The definitions of some of the key terms used in this policy are given below:

- 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 (including any statutory modifications or re-enactment thereof) read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- b. "Company" means **Cera Sanitaryware Limited**.
- c. "Employee" means every employee, including the Directors (whether working in India or abroad) of the Company and its Subsidiaries.
- d. "Good Faith" means an employee shall be deemed to be communicating in 'good faith', if there is a reasonable basis for his genuine concerns or grievances regarding unethical behaviour and improper practices or any other wrongful conduct. Good faith shall be deemed lacking (a) when the Employee does not have personal knowledge or a factual basis for the communication or (b) where the employee knew or reasonably should have known that his communication about the unethical behaviour and improper practices or wrongful conduct is malicious, false or frivolous.
- e. "Investigators" means any person(s) duly appointed/consulted by the CFO, CEO, Whole-time Director, Chairman of the Audit Committee as the case may be, to conduct an investigation under this policy.
- f. "Protected disclosure" means any communication made in good faith that discloses information evidencing their genuine concerns or grievances regarding unethical behaviour and improper practices or any wrongful conduct.
- g. "Stakeholder" means any person including Employees and Directors with an interest or concern in the business of the Company and their representative bodies.
- h. "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.
- i. "Whistle Blower" means a Stakeholder who has made a protected disclosure.
- j. "Unethical behaviour and improper practices or wrongful conduct" shall mean:-
  - (1) an act or omission which does not conform to approved standards of social and professional behavior;

- (2) an act or omission which leads to unethical business practices including misappropriation of monies and actual or suspected fraud;
  - (3) improper or unethical conduct;
  - (4) breach of etiquette or morally offensive behavior
  - (5) an act or omission which may lead to incorrect financial reporting
  - (6) an act or omission which is not in line with applicable company policy including Company's Code of Conduct.
  - (7) an act or omission which is unlawful
  - (8) an act or omission which may lead to substantial and specific danger to public health and safety or abuse of authority.
  - (9) leak of UPSI
- k. "Unpublished Price Sensitive Information ( "UPSI ") means any information relating to a company or its securities, directly or indirectly, that is not generally available, which upon becoming generally available is likely to materially affect the price of the securities and shall ordinarily be including but not restricted to information relating to the following: a. Financial results; b. Dividends; c. Change in capital structure; d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; e. changes in Key Managerial Personnel

The terms which have not been defined in the Policy shall have the same meaning assigned to them in the Companies Act, 2013, Securities Exchange Board of India Act, 1992 (including any statutory modifications or re-enactment thereof) and the Rules and Regulations framed there under.

#### **4. Scope and role of Whistle Blower**

- 4.1 All Stakeholders of the Company are eligible to make protected disclosures under this policy.
- 4.2 The role of whistle blower is that of reporting party with reliable information. Whistle blowers are not expected or required to act as investigator nor fact finder in any matter and they do not have any right to participate in the investigation proceedings.
- 4.3 The Policy shall not be used in place of the Company's grievance procedures or procedures laid down for the protection of employees against sexual harassment at workplace. Further, this policy shall not be a route for raising malicious or unfounded allegations against colleagues. While it will be ensured that genuine whistle blowers are provided complete protection from any kind of unfair treatment or victimization any abuse of this protection will warrant disciplinary action. Whistle blowers, who had made three or more protected disclosures which had been subsequently found to be

mala fide, frivolous or malicious, shall be barred from making any further protected disclosures under this Policy.

## **5. Manner in which concern can be raised**

- 5.1 Any whistle blower, who observes any protected disclosures relating to financial malpractices or non-compliance with legal requirements relating to financial matters, shall report the same to the Chief Financial Officer (CFO) of the Company and any whistle blower, who observes any protected disclosures relating to non-financial malpractices, shall report to Executive Director (ED) of the Company. The CFO/ED, as the case may be, shall appropriately, thoroughly and expeditiously conduct the investigation of such protected disclosure, including where necessary with the help of investigators. If the concerned whistle blower is not satisfied with the outcome of the investigation by the CFO/ED, as the case may be, then he can make the protected disclosure directly to the Chairman of the Audit Committee. The Audit Committee shall appropriately and expeditiously investigate the protected disclosure including where necessary, with the help of investigators and recommend appropriate action.
- 5.2 Whistle blower shall report on becoming aware of / instance of leak of unpublished price sensitive information under SEBI (prohibition of Insider Trading) Regulations, 2015 to Executive Director, Chief Financial Officer / Company Secretary / Audit Committee.
- 5.3 Where a protected disclosure is to be made, which involves a CFO or ED of the Company, such Protected Disclosure may be made by any whistle blower to the Chairman of Audit Committee. The Audit Committee shall appropriately and expeditiously investigate the protected disclosure including where necessary with the help of investigators and recommend appropriate action.
- 5.4 The whistle blower must disclose his / her identity in the covering letter while forwarding such protected disclosures. No cognizance will be taken of any protected disclosure made anonymously and/or without proper signature.
- 5.5 Protected disclosure can be made through email complaint or written complaint. The complaint should be factual rather than speculative and must contain to the maximum extent possible, the following information:-
- (a) The employee, and/or outside party or parties involved;
  - (b) The office/unit of the Company where it happened

- (c) When did it happen; date or a period of time;
- (d) Nature of concern
- (e) Any documentary evidence or proof, if available
- (f) Whom to contact for more information, if possible
- (g) Any other relevant information

## **6. Investigation**

- 6.1 All protected disclosures reported under this Policy will be thoroughly investigated by the CFO/ED/Audit Committee, as the case may be. The identity of whistle blower, subject and any other person assisting in the investigation, will be kept confidential.
- 6.2 Subjects may be communicated about the allegations made in the protected disclosure, unless such communication is detrimental to the investigation proceedings. The investigation shall be conducted in a fair manner and provide opportunity for hearing to the subject.
- 6.3 Subject shall have a duty to cooperate during investigation to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.
- 6.4 Whistle blowers/subjects and any other stakeholder assisting the investigation shall have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be directly, indirectly, explicitly or implicitly influenced, coached, threatened and/or intimidated by the whistle blower/subject or any other person.
- 6.5 In the course of investigation proceedings, subjects are not allowed to leave the Company without specific written approval of the concerned CFO/ED/Chairman of Audit Committee. In case of whistle blowers, they shall be allowed to leave the Company with a specific written undertaking that they shall continue to extend necessary cooperation for conduct of investigation till required under intimation to the concerned Director.
- 6.6 After investigation, a written report of the findings should be prepared and the whistle blowers and subjects have a right to be informed of the outcome of the investigation.

**7. Protection**

- 7.1 No unfair treatment or victimization will be meted out to a whistle blower by virtue of his/her having reported a protected disclosure under this policy in good faith. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistle blowers.
- 7.2 Whistle blower may directly report any violation of the above clause no.7.1 to the Chairman of the Audit Committee, who shall investigate into the same and instruct such corrective or disciplinary action as it may deem fit.
- 7.3 Any Stakeholder assisting in the said investigation shall also be protected to the same extent as the whistle blower.
- 7.4 This Policy may not be used as a defence by the Whistle Blower against whom an adverse personnel action has been taken.

**8. Decision**

- 8.1 If an investigation of any Protected Disclosure leads the CFO, ED, Audit Committee to conclude that an unethical behaviour and improper practices or wrongful conduct has been committed, then the ED, CFO, Audit Committee, as the case may be, shall instruct such corrective or disciplinary action as they may deem fit. For avoidance of doubt, 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.

**9. Reporting**

- 9.1 The CFO and ED shall submit a report to the Chairman of the Audit Committee on quarterly basis about the protected disclosures received by them including their outcome and status.

**10. General**

- 10.1 Every Departmental head shall submit a certificate that this policy has been notified to each employee of his department and the same has been acknowledged by each such employee. The new employees shall be informed about the existence and content of this policy by the HR department.

- 10.2 All protected disclosures made by the whistle blower or documents obtained during the course of investigation along with the reports of investigation shall be retained by the Company for a minimum period of 7 years.
- 10.3 The Board of Directors of the Company shall have the right to amend the policy from time to time.

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| <b>Effective Date:</b> | 12 <sup>th</sup> June, 2014 |
| <b>Last Reviewed:</b>  | 13 <sup>th</sup> May, 2024  |
| <b>Approved by:</b>    | Board of Directors          |

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