

SAMTEX FASHIONS LIMITED

VIGIL MECHANISM POLICY

1. INTRODUCTION

Samtex Fashions Limited believes in promoting a fair, transparent, ethical and professional work environment. 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. The purpose of this mechanism is to eliminate and help to prevent malpractices, to investigate and resolve complaints, take appropriate action to safeguard the interests of the Company and to ensure that any person making a complaint (referred to as "a whistleblower") is protected, while at the same time actively discouraging frivolous and insubstantial complaints and to ensure that Company's Business Conduct Manual and Values are dealt with in a fair and unbiased manner as provided in Section 177 (9) and (10) of the Companies Act, 2013 and the Companies Rules, 2014.

Under these circumstances, Samtex Fashions Limited, being a listed Company proposes to establish a Vigil Mechanism/ Whistle Blower Policy and to formulate a policy for the same.

2. SCOPE OF THE POLICY

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy

The Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

3. DEFINITIONS

- 3.1 "Alleged wrongful conduct" shall mean violation of law, infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".
- 3.2 "Audit Committee" means a Committee constituted by the Board of Directors of the Company.
- 3.3 "Board" means the Board of Directors of the Company.

- 3.4 "Company" means Samtex Fashions Limited and all its offices.
- 3.5 "Code" means Code of Conduct for Directors and Senior Management Executives adopted by the Company.
- 3.6 "Employee" means all the present employees and Whole Time Directors of the Company.
- 3.7 "Protected Disclosure" means concern raised by stakeholders including directors, individual employees or group of employees of the Company and their representative bodies through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 3.8 "Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 3.9 "Vigilance and Ethics Officer" means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 3.10 "Whistle Blower" includes all stakeholders, directors, individual employees or group of employees of the Company and their representative bodies who make a Protected Disclosure under this Policy and also referred in this Policy as complainant.

4. GUIDING PRINCIPLES OF VIGIL MECHANISM

To ensure effective implementation of vigil mechanism, the company shall:

- a) Disclose any unethical and improper or malpractices and events which have taken place/ suspected to take place.
- b) Ensure that the protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.
- c) Ensure protection of the whistleblower against victimization for the disclosures made by him/her.
- d) Ensure complete confidentiality of the whistleblower identity and the information provided by him/her.
- e) Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- f) Ensure whistleblower would not get involved in conducting any investigative activities other than as instructed or requested by Ethics Committee or Chairman of the Audit Committee.
- g) Ensure the subject or other involved persons in relation with the protected disclosure be given an opportunity to be heard.
- h) Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.

5. ELIGIBILITY

All stakeholders including directors, individual employees or group of employees of the Company and their representative bodies are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

6. DISQUALIFICATIONS

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.

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.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

7. REPORTING MECHANISM

- 7.1 All Protected Disclosures should be reported in writing by the complainant as soon as possible, after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.
- 7.2 The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blower policy” or sent through email with the subject “Protected disclosure under the Whistle Blower policy”. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure. All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.
- 7.3 All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee/ Chairman in exceptional cases.
- 7.4 Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director or Chairman of the Company should be addressed to the Chairman of the Audit Committee.

7.5 In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

7.6 Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

7.7 On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

8. INVESTIGATION

8.1 All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.

8.2 The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

8.3 The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

8.4 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

8.5 Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

9. DECISION AND REPORTING

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

9.2 The Vigilance and Ethics Officer 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.

9.3 In case the Subject is the Chairman/Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

9.4 If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

9.5 A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

10. SECRECY / CONFIDENTIALITY

The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

10.1 Maintain confidentiality of all matters under this Policy

10.2 Discuss only to the extent or with those persons as required under this Policy for completing the process of investigations.

10.3 Not keep the papers unattended anywhere at any time

10.4 Keep the electronic mails / files under password.

11. PROTECTION

11.1 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.

11.2 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.

11.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this Policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.

11.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

11.5 Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This Policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this Policy.

12. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

13. COMMUNICATION

A whistle Blower Policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the Company.

14. 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 period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

15. ADMINISTRATION AND REVIEW OF THE POLICY

The Company Secretary shall be responsible for the administration, interpretation, application and review of this Policy. The Company Secretary also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

16. 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 and Directors unless the same is notified to them in writing.

**For and on behalf of
Samtex Fashions Limited**

Sd/-

**Atul Mittal
Jt. Managing Director**