

SHUBHALAKSHMI POLYESTERS
LIMITED

**VIGIL MECHANISM / WHISTLE BLOWER
POLICY**

1. Preface

Pursuant to the provisions of Section 177 of the Companies Act, 2013 it is required to establish Vigil Mechanism framework for the Directors and employees of the Company to report genuine concerns in such manner as may be prescribed.

Shubhalakshmi Polyesters Limited is committed to promote a culture of openness and fair dealing. One of the important values which we wish to promote and practice is Integrity. Need therefore arise to provide suitable avenues for Directors and employees to report issues relating to non-compliance of applicable laws, policies, procedures and ethics of the Company. Whistle Blowing is one such mechanism seeks to provide an avenue to Directors and employees report their genuine concerns and actual / potential violations fearlessly.

2. Objective

The Vigil (Whistle Blower) Mechanism is for the purpose of ensuring highest ethical, moral and business standards in the course of functioning and to build a lasting and strong culture of Corporate Governance within the Company. In terms of Policy, an internal mechanism is established for Directors and Employees to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct. The policy is intended to encourage all Directors and employees without fear of inappropriate actions, behaviors or practices by Directors / Employees without fear of retribution. The Directors / Employees can voice their concerns on irregularities, malpractices and other misdemeanors through this Policy.

It also provides necessary safeguards and protection to the Directors / Employees who disclose the instance of ethical practices / behavior observed in the Company. The mechanism also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

This Policy should be read in conjunction with the instructions already prevailing in the Company and the instructions under Section 177 of the Companies Act, 2013.

3. Definitions

- a) **“Audit Committee”** means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- b) **“Employee”** means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company.
- c) **“Director”** means every Director of the Company.
- d) **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee and includes the Auditors of the Company.
- e) **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- f) **“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.
- g) **“Whistleblower”** means an Employee or Director making a Protected Disclosure under this Policy.

4. Scope

This Whistle Blower Policy seeks to provide an avenue to Directors and Employees of the Company to report without fear any instance of actual or suspected violation, wrong doings or any unethical or improper practice which may adversely impact the image and / or the financials of the Company, through an appropriate forum and to communicate the existence of this mechanism, within the organization. This will help persons who have

major concerns over any wrong doing within the Company to report unlawful activities, accounting irregularities, etc.

It is not possible to give an exhaustive list of all the activities intended to be covered, broadly speaking, the following acts are to be covered:

- Breach of confidentiality
- Financial and accounting irregularities including mismanagement and misreporting
- Criminal offence (e.g. fraud, physical violence or theft) committed / likely to be committed
- Deliberate or intentional non-compliance of the legal / regulatory obligations
- Pursuit of a benefit or advantage in violation of the Company's interest
- Misappropriation/misuse of Company's resources, like funds, supplies, or other assets
- Improper use of authority
- Falsification or Destruction of Company Records
- Any other unethical or improper conduct
- Any other matter in view of the Committee

5. Applies to whom?

This Whistle Blower Policy is applicable to all Directors and Employees of the Company in relation to matters concerning the Company.

6. Procedure

- a) All Protected Disclosures concerning financial/accounting matters and other matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- b) The contact details of the Chairman of the Audit Committee of the Company are as under:

Name: **Shri Ram R. Gupta**
Designation: **Chairman of Audit Committee**
Address: **6th Floor, Deluxe House B/50, Off New Link Road,
Andheri (West), Mumbai - 400053**
E-mail id: **complaints@shubhalakshmi.com**

- c) If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.
- d) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised 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.
- e) The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistleblower. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f) The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistleblowers.

7. Investigation

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company 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 Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- c) The decision to conduct an investigation taken by the Chairman 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 conclusion of the Whistleblower that an improper or unethical act was committed.
- d) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e) 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.
- f) Subjects shall have a duty to co-operate with the Chairman 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.
- g) 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 the Subjects.
- h) 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 the Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- i) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Investigators

- a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b) Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c) Investigations will be launched only after a preliminary review which establishes that:
 - i) the alleged act constitutes an improper or unethical activity or conduct, and
 - ii) either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

9. Decision

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee deems 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.

10. Reporting

The Chairman of the Audit Committee shall submit a report to 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

11. Conflict of Interest

Where a Protected Disclosure concerns any member of the Audit Committee, that member or the Audit Committee shall be prevented from acting in relation to that Protected Disclosure. In case of doubt, the Chairman of the Board of Directors shall be responsible for determining whether a member of the Audit Committee must rescue himself or herself from acting in relation to a Protected Disclosure.

12. Frivolous Complaints:

In case of repeated frivolous complaints being filed by a Director or an Employee the Chairman of the Audit Committee may take suitable action against the concerned Director or Employee including reprimand.

13. Access to Reports And Documents

All reports and records associated with "Disclosures" are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Whistle officer. "Disclosures" and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or by any corporate policy in place at that time.

14. Retention of documents

- a) All the relevant documents namely complaint or the gist of oral complaint, as the case may be, information/ document obtained during the investigation as evidence, including from witness, if any shall be fully secured to avoid any tampering and shall be preserved for a minimum period of 2 (two) years.

15. Communication of Policy

The Policy shall be uploaded on the website of the Company and also communicated by the Human Resources Department to all Directors, Employees of the Company through email, Circular or display on the Notice Board, etc.

16. Amendment

The Company reserves the right to amend or modify this Policy in whole or part, in accordance with any regulatory amendment or notification or otherwise, at any time without assigning any reason whatsoever. Any such amended Policy will be communicated to all the stakeholders concerned from time to time.

