

## GANGOTRI TEXTILES LIMITED

### WHISTLE BLOWER POLICY (VIGIL MECHANISM)

#### 1. INTRODUCTION :

A whistle blower is a person who exposes misconduct, alleged dishonest or illegal activity occurring in an organization. The alleged misconduct may be classified in many ways; viz a violation of a law, rule, regulation and/or a direct threat to public interest, such as health and safety violations and corruption. Whistleblowers may make their allegations internally or externally.

The Internal whistleblowers are those, who report misconduct on a fellow employee or superior within the company. There are some reasons to believe that people are more likely to take action with respect to unacceptable behavior, within an organization, if there is a complaint systems that offer not just options but with absolute confidentiality.

External whistleblowers, however, report misconduct to outside persons or entities by reporting to lawyers, the media, law enforcement or watchdog agencies, or other local, state agencies. In some cases, external whistle blowing is encouraged by offering monetary reward.

The Company has adopted a code of conduct for its Directors and Employees which lays down the guiding principles and standards that should govern the actions of the Company and its employees. The Company is committed to develop a culture where it is safe for the directors and employees to raise their concerns about any poor or unacceptable practice or misconduct.

The purpose of this policy is to provide a framework to promote responsible and secure internal whistle blowing. This will enable Directors and employees to report to management about the unethical behavior/acts, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Section 177(9) of the Companies Act, 2013, Rule 7 of the Companies (Meeting of Board and Powers) Rule, 2014 read with clause 49 of the Listing Agreement entered in to with the Stock Exchanges require every listed company to have a whistle blower policy and establish a vigil mechanism to enable the Directors and Employees of the Company to ventilate their genuine concerns and grievances.

Accordingly, this Whistle Blower Policy has been formulated with a view to provide a mechanism for Directors and employees of the Company to approach the Chairman of the Audit Committee.

#### 02. DEFINITIONS :

The key terms used in the policy are defined as below.

- (i) **Audit Committee** : The audit committee is a sub-committee of Board of Directors of the company duly constituted in pursuance of the provisions of section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreements entered into with stock Exchanges.
- (ii) **Directors** : The term Directors refers to the members of the Board of Directors of the Company at any point of time

- (iii) **Employees** : The term Employees mean every employee of the Company whether working in India or aboard, including directors on whole time employment, contract employees, consultants, management advisors.
- (iv) **Whistle Blower** : is a director or employee who report misconduct of other employees or directors under this policy.
- (v) **Whistle Officer** : means an officer or an executive of the Company nominated by the Chairman of the Audit Committee to receive the report about misconduct form the whistle blowers.
- (vi) **Whistle Committee**
- (vii) **Alleged Person** : means a person against or in relation to whom the report has been made or evidence gathered during the course of an investigation.

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**03. SCOPE OF THE POLICY :**

The Policy covers activities and events which has taken place, suspected to take place involving:

1. Abuse of Authority
2. Breach of Trust
3. Breach of Contract
4. Negligence causing injury/ loss of life and / or wastage of property
5. Manipulation of company data / records
6. Financial irregularities including fraud / suspected fraud.
7. Criminal offence
8. Non – compliance of statutory requirements
9. Pilferage of confidential information
10. Deliberate violation Law / Regulation.
11. Waste of material / assets, misappropriation of funds
12. Breach of employee code of conduct Rules or standing order of the company.
13. Theft or pilferage of intellectual property rights of the company.
14. Any other unethical, biased, favored, imprudent activity.

**04. PROCEDURE :**

- (i) All Report should be addressed to the Whistle Blower or the Company. The contact details of the Whistle Officer are as under :

Mr.Venkatesan.N  
Chairman of the Audit Committee  
M/s. Gangotri Textiles Limited  
No.35, Robertson Road  
R.S.Puram  
Coimbatore – 641 002.  
Mobile : 94 423 39869  
E-mail : [tibre@gangotritextiles.co.in](mailto:tibre@gangotritextiles.co.in)

- (ii) The report 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 or Tamil.
- (iii) The report should be forwarded with a covering letter which shall bear the identity of the Whistle Blower. The Whistle Officer shall detach the covering letter and discuss the report and if deemed fit, forward the report for investigation.
- (iv) The report should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- (v) The Whistle Blower must disclose his/her identity. Anonymous disclosures will not be entertained.
- (vi) If initial enquiries by the Whistle Officer indicate that the concern/complaint has no basis, or it is not a matter to be investigated under this Policy, it may be dismissed at this stage and the decision is reduced in writing and documented.
- (vii) Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Whistle Officer alone, or by the Whistle Committee. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be forwarded to the Chairman of the Audit Committee.

#### **05. INVESTIGATION:**

- (i) Any reports referred to the Whistle Committee will be thoroughly investigated by the Whistle Committee.
- (ii) Whistle Committee is required to conduct a process towards fact-finding and analysis. Technical and other resources may be drawn upon as necessary to carry out the investigation. All investigators shall be independent and unbiased both in fact and as perceived. The Whistle committee has a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- (iii) The decision to conduct an investigation taken by the Whistle Officer 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 Whistle Blower that an improper or unethical act was committed.
- (iv) The identity of a alleged person will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- (v) Alleged person will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- (vi) Alleged person shall have a duty to co-operate with the Whistle Officer or any of the investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.

- (vii) Alleged person have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coerced, coached, threatened or intimidated. Unless there are compelling reasons not to do so, alleged person will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a alleged person shall be considered as maintainable unless there is good evidence in support of the allegation.
  - (viii) Alleged person have a right to be informed of the outcome of the investigation. If allegations are not sustained, the alleged person should be consulted as to whether public disclosure of the investigation results would be in the best interest of the alleged person and the Company.
  - (ix) The investigation shall be completed normally within 30 days of the receipt of the report. However the Whistle Officer shall have the powers to grant or extend time limit wherever it is necessary.
  - (x) On Submission of report, the Whistle Officer shall discuss the matter with Chairman of the Audit Committee who shall either :
    - 1. In case the report is proved, accept the finding of the Whistle Officer / Whistle Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;
    - 2. In case the report is not proved, close the matter;
- Or
- 3. Depending upon the seriousness of the matter, Whistle Officer may refer the matter to the Chairman of Audit Committee with proposed disciplinary action/counter measures. The decision of the Audit Committee is final and binding.

**06. PROTECTION:**

- (i) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a report 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 Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior 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 report. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the report. 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.,

- (ii) The identity of the Whistle Blower shall be kept confidential.
- (iii) Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

**07. SECRECY/CONFIDENTIALITY:**

The Whistle Blower, the alleged person, the Whistle Officer/Audit Committee and everyone involved in the process shall:

1. Maintain complete confidentiality/secretcy of the matter
2. Not discuss the matter in any informal/social gatherings/meetings;
3. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
4. Not to keep the papers unattended anywhere at any time;
5. Keep the electronic mails/files under password;

If any one is found not complying with the above, he/she shall be held liable for such disciplinary action as is considered fit.

**08. REPORTING:**

The Whistle Officer shall submit a report to the Audit Committee on a quarterly basis about all reports referred to him/her since the last report together with the results of investigations, if any.

The Company shall annually affirm that it has not denied any personnel access to the Whistle Officer of the Company in respect of matters involving alleged misconduct and that it has provided protection to "Whistle Blowers" from unfair termination and other unfair or prejudicial employment practices. Such affirmation shall form a part of the Board report on Corporate Governance that is required to be prepared and submitted together with the annual report.

**09. RETENTION OF DOCUMENTS:**

The Company shall retain all protected disclosures in writing or documented along with the results of investigation relating thereto for a minimum period of seven years.

**10. AMENDMENT:**

The Chairman of the Audit Committee with the approval of the Board has the 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 unless the same is posted in the Company's website in writing. The above shall form part of the present employment and other personnel policies of the Company.

For Gangotri Textiles Ltd.



Authorised Signatory.