

Vigil Mechanism Policy

1. Introduction

Spentex Industries Limited (hereafter referred to as “Spentex” or “Company” in this document) is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations by promoting a fair, transparent, ethical and professional work environment.

2. Policy Objectives

The Objective of The Vigil (Whistle Blower) mechanism is to provide a reporting channel to report genuine concerns about unethical behavior, actual or suspected misappropriation or fraud to safeguard unethical practices in the organization and to report any deviations in terms of employee’s integrity and professional conduct.

3. Coverage of the Vigil Mechanism

All employees, workers, directors, including auditors and advocates who are associated with Spentex can raise concerns regarding malpractices and events which may negatively impact the company.

- a. Financial misappropriation and fraud
- b. Corruption and bribery
- c. Procurement fraud
- d. False expense reimbursements
- e. Inaccuracy in maintaining the Company’s books of account and financial records
- f. Misuse of company assets and resources
- g. Inappropriate sharing of company sensitive information

Any of the above matter or any matter not covered under this mechanism which relates to any act not in the company’s interest can be reported to Vigilance Officer as nominated by the Managing Director.

4. Guiding principles of the vigil mechanism

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

- a. Ensure protection of the complainant/whistleblower against victimization for the complaint raised by him/her.
- b. Ensure complete confidentiality of the complainant/whistleblower identity and the information provided by him/her.
- c. Ensure that the complaint is acted upon within specified timeframes and no evidence is concealed or destroyed.
- d. Ensure that if the complaint found suitable for investigation, then investigation is conducted honestly, neutrally and in an unbiased manner.
- e. Ensure complainant/whistleblower would not get involved in conducting any investigative activities other than as instructed or requested by Vigilance Officer
- f. Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to complaints made under this mechanism.

5. Protection for Complainant/Whistleblower

- a. A complainant/whistleblower would be given the option to keep his/her identity anonymous while reporting an incident to Vigilance Officer. The company will make no attempt to discover the identity of an anonymous complainant/whistleblower. If the complainant's/whistleblower's identity becomes known during the course of the investigation, Spentex will ensure that the identity of the complainant/whistleblower will be kept anonymous and confidential to the extent possible, unless required by law or in legal proceedings.
- b. Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the complainant/whistleblower.
- c. The Vigilance Committee would safeguard the complainant/whistleblower from any adverse action. This includes discrimination, victimization, retaliation, demotion or adoption of any unfair employment practices.
- d. Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a complainant/whistleblower.
- e. A complainant/whistleblower may not be granted protection under this mechanism if he/she is subject of a separate complaint or allegations related to any misconduct.

6. Reporting mechanism

The complainant/whistleblowers are expected to speak up and bring forward the concerns or complaints about issues listed under point-3 "Coverage of the vigil mechanism" by addressing the same to the Vigilance Officer or the Managing Director in a closed and secured envelope super scribed as **Confidential – Under Whistle Blower Policy** or sent through email at vigilance@clcindia.com in Hindi, English or any other regional language. The complainant/Whistle Blower may or may not disclose his/her identity.

The complainant can raise concern as described in this policy by dropping a sealed envelope in the box placed at all the plants and Corporate Office. It shall be the responsibility of the respective Unit Head of each location to arrange to send such sealed envelopes to the Vigilance Officer.

7. Vigilance Committee

- a. Managing Director of Spentex Industries Limited has constituted a Vigilance Committee consisting of the following :
 1. Dr. S K Gupta, Vigilance Officer
Vice President – Internal Audit
Spentex Industries Limited
A -60, Okhla Industrial Area, Phase II,
New Delhi – 110020
 2. Yogesh Bahl
Assistant General Manager – HR
Spentex Industries Limited
A -60, Okhla Industrial Area, Phase II,
New Delhi – 110020
- b. The Vigilance Officer shall have the casting vote and right to deal with the issue in manner deemed fit in case of divided views of the Vigilance Committee.
- c. Vigilance Officer shall take necessary actions to maintain confidentiality within the organization on issues reported

- d. The Vigilance Committee would be responsible to act on the incident reports received in unbiased manner as directed by the Managing Director under the guidance of Director Finance and Directors works as the case may be.

8. Investigation

- a. The investigation wherever appropriate / deemed necessary would be carried out to determine the authenticity of the allegations and for fact-finding.

9. Role of Vigilance Officer

- a. A structured approach should be followed to ascertain the creditability of the charge.
- b. Ensure the confidentiality and secrecy of the issue reported and subject is maintained.
- c. Provide timely update to the Managing Director / Vigilance Committee on the progress of the investigation.
- d. Ensure investigation is carried out in independent and unbiased manner.
- e. Document the entire approach of the investigation.
- f. Investigation Report including the approach of investigation should be submitted to the Managing Director with all the documents in support of the observations.

10. Maintaining secrecy and confidentiality

Spentex expects individuals involved in the review or investigation to maintain complete confidentiality. Disciplinary action may be initiated against anyone found not complying with the below:

- a. Maintain complete confidentiality and secrecy of the matter.
- b. The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c. The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.
- d. Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e. Ensure secrecy of the complainant/whistleblower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.

11. Disqualifications

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment , any abuse of this protection will warrant disciplinary action
- b. If the complainant is unable to provide specific information that covers at least some of the following points, the Vigilance Officer reserves the right to not investigate the reported matter.
 - I. Location of incident
 - II. Timing of incident
 - III. Personnel involved
 - IV. Specific evidence
 - V. Frequency of issues

12. Management decision

- a. Disciplinary or corrective action including legal action, if required will be taken against the subject as per the Company's disciplinary procedures.
- b. The decision of the management will be considered as final and no challenge against the decision would be entertained, unless additional information becomes available.
- c. In case of repetitive frivolous or false complaints, action may be taken against the complainant.

13. Reporting

The vigilance office shall submit a report to the audit committee on a regular basis about all disclosures refer to him since the last report together with the results of the investigation, if any.

14. Applicability

This policy shall be applicable and implemented at all the locations of company's plants and at corporate office.

15. Right to amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reasons whatsoever. The updated Vigil mechanism would be shared with the employees, suppliers and vendors thereafter.