

VIGIL MECHANISM POLICY
OF
SARASWATI COMMERCIAL (INDIA) LIMITED

Preamble

- The Companies Act 2013 under the provisions of Section 177 has mandated that *“every listed Company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed”. Further such vigil mechanism under “shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases”.*
- Pursuant to the provisions of Section 177 (9) & (10) read with rule 7 of Chapter XII of the Companies Act, 2013, the Company has set up and adopted the following Vigil Mechanism which lays down the principles and standards governing the management of grievances and concerns of employees and directors of the Company and shall be overseen by the Audit Committee (hereinafter referred to as ‘Committee’) of the Company. The Mechanism as set up herein-below shall enable the employees and the directors of the Company to report their genuine concerns or grievances about the actual and potential violation of the principles and standards laid down herein.
- The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards the Company encourages the employees to voice their genuine concerns without fear of censure.

Mechanism

1. Objectives:-

- To encourage employees to bring genuine ethical and legal concerns, violations and suspected fraudulent behaviour of which they are or become aware of, to an internal authority so that action can be taken immediately to resolve the problem.
- To minimize the Company's exposure to the damage that can occur when the employees actually or potentially try to circumvent internal mechanisms in furthering the aforementioned concerns, violation and frauds.
- To let employees know that the Organization is serious about adherence to Code of conduct or policy.

2. Scope

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company's rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activities on account of which the interest of the Company is affected.

However the mechanism does not release the employees from their duty of confidentiality in the course of their work and nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

3. Eligibility

All Employees and Directors of the Company are eligible to make disclosures under the mechanism in relation to matters concerning the Company.

4. Procedure:-

1. Where any director or employee finds or observes any of following activities (but not limited to) then he must within a period of 30days of occurrence of event or on the date on which he comes to know, report in writing their complaint / grievance in the format as provided in **Annexure 1** to this mechanism:
 - Embezzlement of funds.
 - Any prejudicial act in which stakeholders interest or public interest is involved.
 - Serious frauds which are affecting or may affect the financial position of the Company.
 - Internal theft.
 - Payoff & Kickbacks etc.
2. The Complainant shall address the Complaints / Grievances to the Chairman of the Audit Committee. The duly filled complaint form provided herein shall be submitted to *any* of the above mentioned person(s):
3. In order to protect the identity of the complainant, the Committee will maintain confidentiality of the complainants.
4. The Committee on the receipt of disclosure of any of above frauds or events shall make a record of the disclosure and also ascertain from the complainant whether he was the person who made the disclosure or not. The Committee shall also carry out initial investigation either itself or at its discretion by involving any other official of the Company or an outside agency as it may deem fit.
5. The decision to undertake the investigation by the Committee shall not by itself be regarded as the acceptance of the accusation by the Committee. It is a neutral fact finding process to ascertain the truth of the accusation.
6. Any member of the Audit Committee involved in the investigation, having any conflict of interest with the matter shall disclose his/her concern/interest forthwith and shall not deal with the matter.
7. The Committee as it deems fit, may call for further information from the complainant.
8. The Committee shall carry out detailed investigation if the reported disclosure is found to be correct.
9. The Employee/Director against whom disclosure has been reported shall:-
 - Co-operate with Committee or any person appointed in this regard.
 - Have a right to consult any person of his choice other than members of Committee and / or Complainant.
 - Not interfere in investigations conducted by Committee.

- Not withhold, tamper or destroy any of evidences.
- Unless otherwise restricted, be given an opportunity to respond to material findings.
- Not threaten, influence or intimidate complainant or any of witnesses.
- Have a right to know the outcomes of investigation.

10. The Investigations shall be completed within a period of 60 days.

5. Decisions and Reporting

If the outcome of the investigation leads to a conclusion that, any improper or unethical act has been committed, then the Committee must record the same and recommend the Complaint along with the findings of the Committee upon investigation to the management for the disciplinary or corrective action to be taken against the concerned employee/director. The decision of the Committee shall be recorded with reasons and a copy of the same shall be forwarded to the complainant and the subject.

If the decision is not to the satisfaction of the complainant then the complainant has the right to report the event to the appropriate legal or investigating authority. However, if the complainant makes false or wrong allegations then disciplinary actions in accordance with the rules, procedures and policies of the Company shall be taken against the complainant as the Committee may decide.

6. Penalties

If the alleged fraud or misconduct is proven after investigation, the Committee may impose such penalty / fine as it may deem fit depending upon nature of fraud or unethical act done by the person.

7. Secrecy and Confidentiality

The Committee as well as complainant shall:-

- Maintain confidentiality of all matters under this policy.
- Discuss only to the extent or with those persons as required under this policy for completing the process of investigation.
- Not keep the papers unattended anywhere at any time.
- Keep the electronic mails / files under password and under safe custody.

8. Protection

- No unfair treatment will be meted out to a complainant 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 complainants. Complete protection will therefore be given to complainant 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 complainant's right to continue to perform his duties /functions including making further disclosure.
- The Company will take steps to minimize difficulties which the complainant may experience as a result of making the disclosure. Thus, if the complainant is

required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the complainant to receive advice about the procedure, etc.

- A complainant may report any violation of the above clause to the Chairman of the Committee, who shall investigate into the same and recommend suitable action to the management. The identity of the complainant 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 Committee is authorized to initiate appropriate action as per extent regulations against the person or agency making such disclosure. The identity of the complainant, if known, shall remain confidential to those persons directly involved in applying this mechanism, unless the issue requires investigation by law enforcement agencies.
- Any other employee assisting in the said investigation shall also be protected to the same extent as the Complainant. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and that he has acted in good faith. 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.

9. Display of Mechanism on Website

The Mechanism herein set up cannot be effective unless it has been communicated to eligible person described herein above. For this purpose Company shall display it on its website and shall also disclose it in Board's Report.

10. Retention of Documents

The evidences, documents received by the committee in due course of time during investigation shall be preserved for three (3) years or for such period as may be specified by law in force in this regard from time to time.

11. Amendments

The Company reserves right to amend, modify, and cancel any of the provisions of the mechanism in whole or in part set up herein above or may restrict subject to such conditions as it may deem fit.

Annexure 1

Date: _____

Name of Complainant (Employee/ Director) _____

Email-id _____

Address: _____

Contact No. _____

Subject matter which is being reported

Name of Person/Event focused at:

Brief about concern _____

Evidence (if Any) _____

Signature