

## Vigil Mechanism/Whistle Blower Mechanism Policy

### 1. PREAMBLE

Partap Industries Limited (the “Company”) is a public limited company incorporated under the Companies Act, 1956, as amended.

- Objectives

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 behaviour. In pursuit of the same, the Company encourages its employees to raise genuine concern about any malpractices in the work place without fear of retaliation and will protect them from victimisation or dismissal.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which lays the principles and standards which shall govern the actions of the directors and the senior management personnel as prevalent from time to time.

The vigil mechanism aims to provide a channel to the directors and employees to report genuine concerns about unethical behaviour of any employee of the Company who shall promptly report to the management/Audit Committee when he/she becomes aware of any actual possible violation or an event of misconduct or act not in Company’s interest.

The mechanism provides for adequate safeguards against victimisation of directors and employees to avail the mechanism and also provides for direct access to the chairman of the Audit Committee in appropriate cases.

- Approval of the Board

Accordingly, the Company establishes Vigil/Whistle Blower Mechanism formulating a policy for providing a framework for responsible and secure whistle blowing/vigil mechanism approved by the Board of Directors of the Company (“the Board”) at its meeting held on 20<sup>th</sup> November 2016 , which can be amended from time to time by the Audit Committee. The policy has been last amended on 14th November, 2021.

Vigil /Whistle Blower Mechanism Policy (the “Policy”) shall be as approved and amended by the Board of the Company from time to time.

### 2. DEFINITIONS

- The Company shall mean Partap Industries Limited.
- The Board shall mean the Board of Directors of the Company at any time consisting of the directors duly appointed and not ceased to be directors in terms of the Companies Act 2013, as amended (“Companies Act 2013”).
- The Policy shall mean the Vigil/Whistle Blower Mechanism Policy as contained hereunder in this document.
- The Audit Committee shall mean the Audit Committee of the Company established by the Board of Directors at any time consisting of the members duly appointed and not ceased to be members of such committee from time to time
- Protected Disclosure shall mean a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under “Scope” of the Policy with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- “Subject” means a person or group of persons against whom or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- “Vigilance Officer”/ “Vigilance Committee” shall mean a person authorised by the Audit Committee to receive any Protected Disclosure and to maintain the records from Whistle Blowers

and to place same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof. Audit Committee shall act as the Vigilance Committee till such time a separate Vigilance Committee is appointed.

- Whistle Blower(s) shall mean a director or an employee of the Company who makes Protected Disclosure under this Policy and may also be referred in this Policy as “Complainant”.

### 3. SCOPE

The Policy is in addition to the Code of Conduct for the Directors and Senior Management Personnel and covers disclosures of any unethical, improper behaviour or malpractices and events which have taken place or suspected to have taken place involving:

- Breach of Company’s code of conduct
- Breach of business integrity and ethics
- Breach of terms and conditions of employment and rules thereof
- International financial irregularities including fraud or suspected fraud
- Violation of applicable laws to the Company
- Gross wilful negligence causing substantial and specific danger to the health, safety and environment
- Manipulation of Company’s data and records
- Perforation of confidential/proprietary information
- Gross wastage/ misappropriation of Company’s funds and/or assets
- Any incidence of harassment of any employee of the company based on caste, colour, creed, religion, faith, disability, sexual orientation, national origin, age, marital status, sex, veteran or citizenship or other characteristics protected by law.
- Any incidence of harassment of any employee of the company based on caste, colour, creed, religion, faith, disability, sexual orientation, national origin, age, marital status, sex, veteran or citizenship or other characteristics protected by law.
- Any incidence of sexual harassment directed towards a person whether directly or indirectly in form of – physical contact and advances, offensive language, demand or request for sexual favours, sexually coloured remarks and or bawdy humour, showing any pornographic material, any other unwelcome physical, verbal or nonverbal conduct of a sexual nature.
- Instances of leak of Unpublished Price Sensitive Information (UPSI)
- Any other unethical or improper conduct.

All the directors and employees of the Company are eligible to make Protected Disclosure under the Policy in relation to the matters concerning the Company and, in any matters, as laid in above paragraph. Further, the Company has established a separate prevention of sexual harassment committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and any rules made thereunder, each as amended.

### 4. PROCEDURE

All the Protected Disclosures should be reported in writing by the Complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in legible handwriting either in English, Hindi or Gujarati.

The Protected Disclosure should be submitted under a covering letter signed by the Complainant in a closed and secured envelop to the Vigilance Officer or may be sent through email at [info@partapdenim.com](mailto:info@partapdenim.com) with the subject “Protected Disclosure under Vigil Mechanism Policy”. The failure to super scribe the complaint as “Protected Disclosure under Vigil Mechanism” shall not relieve the Vigilance Officer from his/her duty to treat such a complaint as Protected Disclosure.

All Protected Disclosure should be addressed to the Vigilance Officer of the Company or to the Managing Director in absence of Vigilance Officer or to the chairperson of the Audit Committee.

In order to protect the identity of the Complainant, the Vigilance Officer shall not issue any acknowledgement to the Complainant and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Vigilance Officer. Anonymous disclosure shall not be entertained by the Vigilance Officer, however, it shall be the duty and responsibility of the Vigilance Officer/Vigilance Committee, to protect the identity of the Whistle Blower/Complainant.

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.

## **5. INVESTIGATION**

All Protected Disclosure 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 at the advice of the Vigilance Committee or through an outside agency before presenting report of the matter to the Vigilance Committee.

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

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact-finding process. The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.

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

## **6. DECISION AND REPORTING**

If an investigation leads to a conclusion that an improper or unethical act has been committed, the chairperson of the Audit Committee shall recommend to the Board of the Company to take such disciplinary or corrective action as it may deem fit. 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. A report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board. A Complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

The company may also opt to reward the Whistle Blower, based on merits of the case.

## **7. CONFIDENTIALITY**

The Complainant, Vigilance Officer, members of the Audit Committee, the Subject and everybody involved in the process 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 investigations and keep the papers in safe custody.

## **8. PROTECTION**

No unfair treatment will be meted out to a Whistle Blower by virtue of his / her having reported a Protected Disclosure under this Policy. Adequate safeguards against victimization of Complainants shall be provided. The Company will take to minimize difficulties which the Whistle Blower may experience as from making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **9. 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.

## **10. ACCESS TO CHAIRPERSON OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access chairperson of the Audit Committee directly in appropriate or exceptional cases and the chairperson of the Audit committee is authorised to prescribe suitable directions in this regard.

## **11. COMMUNICATION**

Directors and employees shall be informed of the Policy and contact details of the Vigilance Officer by publishing on the notice board as soon as practicable from the date of its first approval. Further, this Policy shall be disseminated on the website of the Company. In addition, the details of establishment of vigil mechanism/whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee, shall be included in the annual report of the Company.

## **12. RETENTION OF DOCUMENTS**

All protected disclosures in writing or documented along with the results of investigation relating thereto, shall be retained by for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

## **13. 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 and no such amendment or modification will be binding on the directors and employees unless the same is communicated in the manner described as above.