

**VIGIL MECHANISM/  
WHISTLE BLOWER POLICY  
OF  
SARTHAK INDUSTRIES LIMITED**

## 1. INTRODUCTION

The Company believes in conducting its business and working with all its stakeholders in an ethical and lawful manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

The Company has adopted a Code of Conduct (“the Code”) for directors and senior management, which lays down the principles and standards that should govern the action of the company and its employees.

Section 177 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement between Company and the stock exchanges, inter-alia, provides, mandatory requirement, for all listed companies to establish a mechanism called “Whistle Blower/ Vigil Mechanism Policy” for directors and employees to report instances of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

The purpose of this policy is to provide a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

## 2. DEFINITIONS

“Company” means Sarthak Industries Limited and all its offices.

“Board” means the Board of Directors of the Company.

“Audit Committee” means a Committee constituted by the Board of Directors of the Company in accordance with guidelines of Listing Agreement and Companies Act, 2013.

“Code” means Code of Conduct for Directors and Senior Management adopted by Sarthak Industries Limited.

“Disciplinary Action” means any action that can be taken on the completion of / during the investigation proceedings as is deemed to be fit considering the gravity of the matter.

“Whistle Blower” is someone who discloses a Protected Disclosure under this Policy.

“Employee” means every employee of the Company (whether working in India or abroad), including the Directors of the Company.

“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

“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.

“Investigator(s)” mean the person(s) authorized, appointed, consulted or approached by the Audit Committee.

### **3. SCOPE**

Whistle Blower/Vigil Mechanism Policy shall be applicable for all employees and to all Directors of the Company. The Policy covers any concerns which are malpractices and events which have taken place/ suspected to have taken place.

### **4. DISQUALIFICATION**

The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. However, this policy should not be misused by the employees to make fraudulent or frivolous or malicious or bogus disclosures to the Audit Committee.

Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company / Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

### **5. PROCEDURE**

The Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised. The Protected Disclosures can also be reported verbally, either personally or over telephone to the Chairman of the Audit Committee, which should be followed by a written communication.

The written communication 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 Whistle Blower. It should be marked as private and confidential and sent to the below mentioned address:

Mr. YOGENDER MOHAN SHARMA, Executive Director  
Whistle Blower/ Vigil Mechanism  
Sarthak Industries Ltd.  
Room No. 4, Anna Bhuvan, 3<sup>rd</sup> Floor, 87C Devji Ratansi Marg, Dana Bunder,  
Mumbai (MH)-400009, Phone: 022- 66102209  
Email: [sarthakindustries@yahoo.in](mailto:sarthakindustries@yahoo.in)

However in appropriate or exceptional cases directly address to Mr. Vijay Rathi, an Independent Director of the Company and Chairman of the Audit Committee of the Board of Directors of the Company. The contact details of him are as under:

Mr. Vijay Rathi, Chairman, Audit Committee  
Whistle Blower/ Vigil Mechanism  
Sarthak Industries Ltd.  
214, Trade Center, South Tukoganj, Indore (MP)-452001  
Email: [vijayrathi01@rediffmail.com](mailto:vijayrathi01@rediffmail.com), Phone: 0731- 2527949

Whistle Blower must disclose his/her name in the Protected Disclosure. Concerns expressed anonymously will not be investigated under this policy.

The Protected Disclosure shall state clearly the relevant details of the fraud or misconduct or suspected fraud or misconduct including the name of the employee or employees who have engaged in the misconduct or fraud.

## 6. INVESTIGATION

The Audit Committee may at its discretion, consider involving any Investigator(s) for the purpose of investigation.

All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigator(s) appointed by the Audit Committee who will investigate the matter under the authorisation of the Audit Committee.

The decision of the Audit Committee to conduct an investigation, by itself is 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.

The identity of the subject(s) and the Whistle Blower will be kept confidential.

Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.

Subject(s) shall have a duty to co-operate with Audit Committee or any of the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, threatened or intimidated by the subject(s).

Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

The investigation shall be completed normally within 60 days of the date of receipt of the protected disclosure or such extended period as the Audit Committee may permit for reasons to be recorded.

Subject(s) have a right to be informed of the outcome of the investigation.

## **7. PROTECTION**

It shall be ensured that the Whistle Blower shall be protected from any adverse action which may include but is not limited to termination of employment, demotion, suspension, decision not to promote, unwarranted performance rating, harassment, biased behavior withholding of salary, imposition of transfer or reassignment, denial of rewards, leave, benefits for which he/she is eligible, or any other significant changes in the job; which may arise out of the him/her making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

In case of occurrence of any adverse action towards the Whistle Blower, he shall have right to approach to the Chairman of the Audit Committee.

## **8. INVESTIGATORS**

Investigator(s) are required to conduct a process towards fact-finding and analysis.

Investigator(s) shall derive their authority and rights from the Audit Committee when acting within the course and scope of their investigation.

Technical and other resources may be drawn upon as necessary to augment the investigation.

All Investigators shall be independent and unbiased. Investigators will have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.

## **9. DECISION**

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend such disciplinary or corrective action as it 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 Investigator(s) shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him / her / them since the last report together with the results of investigations, if any.

## **11. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of three years.

## **12. AMENDMENT**

The Board of Directors of the Company shall have the authority to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever and the same will be posted on the website of the Company.

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