

VIP CLOTHING LIMITED



(Formerly known as Maxwell Industries Limited)

WHISTLE BLOWER POLICY/VIGIL MECHANISM

[Pursuant to SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

Details of Amendments to the Policy				
Policy Change effective Date	Clause No.	Particulars of the Change	Board Approval Date	Version of Policy
<u>11.05.2017</u>		<u>Pursuant to change of name Company had change its name in its policies.</u>	<u>11.05.2017</u>	<u>1</u>

1. PREFACE

- 1.1. The Company is committed to conduct its business by adopting the highest standards of professional integrity and ethical behaviour and comply with all the regulatory requirements under the laws and regulations prevailing from time to time. The Whistle Blower Policy is a mechanism to reinforce implementation of the Company's Code of Conduct which encourages all concerned to take positive actions which not only commensurate with the Company's values and beliefs, but are also perceived to be so. Section 177 of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014 and clause 49 of Listing Agreement requires every listed company and such other class of companies to establish a vigil mechanism for the directors and employees of a company to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism provides for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. The purpose of this policy is to comply with the regulatory requirements and to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.

2. POLICY

- 2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
- 2.2. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.
- 2.3. This Policy establishes a Vigil Mechanism (Whistle Blower Mechanism) that provides a channel to the employees and directors of the Company to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Code or this Policy. The mechanism provides for adequate safeguards against victimization of employees or directors who use the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

3. DEFINITIONS

- 3.1. **"Alleged Wrongful Conduct"** shall include violation of law or the Code, infringement of Company's rules, unethical or improper activity, misappropriation of monies or assets of the Company, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

- 3.2. **“Audit Committee”** means audit committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 read with the rules thereon and read with Clause 49 of the Listing Agreement with the Stock Exchanges.
- 3.3. **Board** means the Board of Directors of the Company.
- 3.4. **“Company”** means VIP Clothing Limited (Formerly known as Maxwell Industries Limited).
- 3.5. **“Code”** means Code of Conduct for Directors and Senior Management Executives adopted by VIP Clothing Limited (Formerly known as Maxwell Industries Limited).
- 3.6. **“Disciplinary Action”** means any action that can be taken on the completion of or during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 3.7. **“Employee”** means all the present employees and whole time directors of the Company (whether working in India or abroad).
- 3.8. **“Protected Disclosure”** means a concern raised by the Whistle Blower, through a written communication made in good faith in terms of this Policy which discloses or demonstrates information about an Alleged Wrongful Conduct with respect to the Company and which should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 3.9. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 3.10. **“Unethical and Improper Practices”** include –
- a. An act which does not conform to approved standard of social and professional behavior;
 - b. An act which leads to unethical business practices;
 - c. Improper or unethical conduct;
 - d. Breach of etiquette or morally offensive behavior, etc.
- 3.11. **“Vigilance and Ethics Officer”** means an officer appointed by the Company to receive Protected Disclosures from Whistle Blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 3.12. **“Whistle Blower”** is an Employee or group of Employees or directors of the Company who make a Protected Disclosure under this Policy and also referred to in this Policy as Complainant.

4. SCOPE OF POLICY

- 4.1. This Policy is an extension of the Code. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- 4.2. Whistle Blowers should not act on their own in conducting any investigative activities, or do they have a right to participate in any investigative activities other than as requested by the Vigilance and Ethics Officer or the Chairman of the Audit Committee or the Investigators.
- 4.3. Protected Disclosure will be appropriately dealt with by the Vigilance and Ethics Officer or the Chairman of the Audit Committee, as the case may be.

5. ELIGIBILITY

- 5.1. All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.
- 5.2. Further all directors (whether executive or non-executive) are entitled to use the mechanism established by this Policy and contribute in the well being of the Company.

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

- 6.1. All Protected Disclosures should be reported in writing by the Complainant as soon as possible after he becomes aware of the same so as to ensure a clear understanding of the issues raised and to ensure that the concern is addressed immediately and should either be typed or written in a legible handwriting in English or in Marathi or in Hindi.
- 6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected Disclosure under the Whistle Blower Policy". Alternatively, the same can also be sent through email with the subject "Protected Disclosure under the Whistle Blower Policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the Complainant and the Protected Disclosure will be dealt with as a normal disclosure. In order to protect identity of the Complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the Complainant(s) and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required, he will get in touch with the Complainant.
- 6.3. Anonymous / Onymous disclosure shall not be entertained by the Vigilance and Ethics Officer.

- 6.4. The Protected Disclosure should be forwarded under a covering letter signed by the Complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee/ CEO/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- 6.5. All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee/ CEO/ Chairman in exceptional cases.

The contact details of the Vigilance and Ethics Officer is as under:-

Name and Address : Ashish Mandaliya (C.F.O. & Company Secretary)
C-6, Road No. 22, MIDC, Andheri (East), Mumbai - 400 093
Email : investor.relations@viporg.com

- 6.6. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman/ CEO of the Company should be addressed to the Chairman of the Audit Committee.

The contact details of the Chairman, C.E.O. and the Chairman of the Audit Committee are as under:

Name and Address of Chairman : Mr. Sunil Pathare
C-6, Road No. 22, MIDC, Andheri (East),
Mumbai - 400 093
Email : investor.relations@viporg.com

Name and Address of CEO : Mr. Yogesh Tiwari
C-6, Road No. 22, MIDC, Andheri (East),
Mumbai - 400 093
Email : investor.relations@viporg.com

Name and Address of the
Chairman of the Audit Committee : Mr. Gopal Sehjpal
C-6, Road No. 22, MIDC, Andheri (East),
Mumbai - 400 093
Email : investor.relations@viporg.com

- 6.7. On receipt of the Protected Disclosure the Vigilance and Ethics Officer / Chairman / CEO / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the Complainant whether he was the person who made the Protected Disclosure or not. He shall also carry out initial investigation either himself or by involving any other officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject matter;
- d) Details of actions taken by Vigilance and Ethics Officer / Chairman / CEO for processing the complaint;
- e) Findings of the Audit Committee; and
- f) The recommendations of the Audit Committee/ other action(s).

6.8. The Audit Committee, if deems fit, may call for further information or particulars from the Complainant.

7. INVESTIGATION

- 7.1. All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other officer of the Company and/ or an outside agency for the purpose of investigation.
- 7.2. The decision to conduct an investigation by itself is not an accusation and is to be treated as a neutral fact finding process.
- 7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the officers appointed by it in this regard.
- 7.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- 7.6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the Subject(s).
- 7.7. Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8. Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

7.9. The investigation shall be completed normally within [] days of the receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.

8. DECISION AND REPORTING

8.1. If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an Unethical and Improper Practice has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the Board of the Company to take such Disciplinary Action or corrective action as he may deem fit. It is clarified that any Disciplinary Action 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.

8.2. The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

8.3. In case the Subject is the Chairman/CEO of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the Protected Disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

8.4. If the report of investigation is not to the satisfaction of the Complainant, the Complainant has the right to report the event to the appropriate legal or investigating agency.

8.5. A Complainant who makes false allegations of Unethical and Improper Practices or about Alleged Wrongful Conduct of the Subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate Disciplinary Action in accordance with the rules, procedures and policies of the Company.

9. SECRECY/CONFIDENTIALITY

The Complainant(s), Vigilance and Ethics Officer, Members of Audit Committee, the Subject and every other person involved in the process shall:

- a) Maintain confidentiality of all matters under this Policy.
- b) Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- c) Not keep the papers unattended anywhere at any time.
- d) Keep the electronic mails / files under password.
- e) Take such other necessary actions or omit any actions necessary to ensure safeguard of victimisation of Whistle Blowers.

10. PROTECTION

- 10.1. No unfair treatment will be meted out to a Whistle Blower 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 Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers 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 Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. 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.
- 10.2. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the Complainant(s) 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 Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by enforcement agencies, in which case members of the organization are subject to subpoena.
- 10.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5. Provided however that the Complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the Complainant shall be subject to Disciplinary Action as per the rules / certified standing orders of the Company. 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.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

12. COMMUNICATION

A Whistle Blower Policy cannot be effective unless it is properly communicated to employees. Employees shall be informed about the existence of this Policy by publishing in notice board and the website of the Company. For all new Employees and Directors, a copy of this Policy shall be handed over as a part of the joining documentation, alongwith other HR related policies. Further details of establishment of this Vigil Mechanism shall be disclosed by the Company in the Board’s report.

13. 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 period of seven years or such other period as specified by the applicable law in force, whichever is more.

14. ADMINISTRATION AND REVIEW OF THE POLICY

The Chief Financial Officer shall be responsible for the administration, interpretation, application and review of this policy. The Chief Financial Officer also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

15. AMENDMENT

Board of Directors reserves its 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 and Directors unless the same is notified to them in writing.
