

SAM INDUSTRIES LIMITED

WHISTLE BLOWER / VIGIL MENCHANISM POLICY

PURPOSE

The Company believes in the conduct of affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company is committed to developing a culture where it is safe for all Employees and Directors to raise concerns about any poor or unacceptable practice and any event of misconduct.

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

Effect from 01st October 2014, Clause 49 of the Listing Agreement between the Company and Bombay Stock Exchange Ltd., inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy'.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects directors/ employees wishing to raise a concern about serious irregularities within the Company.

The policy neither release employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about personal situation.

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“**Audit Committee**” means the Audit committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd.

“**Employee**” means every permanent employee of the Company who are in the employment of the Company.

“**Confidential Section**” means any Section Department of the Company which is decided by the Competent Authority from time to time for maintaining the records as per the Whistle Blower/Vigil Mechanism Policy.

“**Whistle Blower**” is a Director or Employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

“**Protected Disclosure**” means a written communication of a concern made in good faith that discloses or demonstrates information that may evidence an unethical or improper activity.

“**Competent Authority**” means the Managing Director of the Company and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest, Competent Authority means **Chairman of the Audit Committee**.

“**Investigators**” means those persons authorized, appointed, consulted or approached by the Competent Authority in connection with conducting investigation into a protected disclosure.

“**Subject**” means a person against or in relation to whom a protected disclosure is made or evidence gathered during the course of an investigation.

“**Improper Activity**” means unethical behavior, actual or suspected fraud, embezzlement etc. violation of the Company’s general guidelines on conduct, moral turpitude, unlawful conduct etc. by an employee of Company.

SCOPE

Whistle Blower/Vigil Mechanism Policy shall be applicable for all permanent employees and to all the Directors of the Company.

Reportable Matters

The Policy covers malpractices and events which have taken place/suspected to take place involving:

1. Abuse of Authority
2. Breach of Contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud, or suspected fraud, bribery
6. Pilferation of confidential/propriety information
7. Deliberate violation of law/regulation and illegality
8. Wastage/misappropriation of company funds/assets
9. Breach of Code of Conduct or Rules
10. Any other unethical, biased, favoured, imprudent event
11. Health & Safety, Environment Issues.
12. Any offence of material nature.

FALSE COMPLAINTS

While this Policy is intended to protect genuine Whistleblowers from any unfair treatment as result of their disclosure, misuse of this protection by making frivolous and bogus complaints with mala fide intentions is strictly prohibited.

A Personnel who makes complaints with mala fide intentions and which are subsequently found to be false will be subject to strict disciplinary action.

PROCEDURE

All 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 a legible handwriting in English/Hindi.

All Protected Disclosures should be addressed to the Competent Authority or to the Chairman of the Audit Committee in exceptional cases.

If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his /her protected disclosure directly to the Chairman of the Audit Committee of the Company.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “Protected Disclosure under the Whistle Blower Policy”. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

Anonymous / Pseudonymous disclosure shall not be entertained by the Competent Authority.

On receipt of the protected disclosure the Competent Authority shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

The Contact details of the Competent Authority are as under:

Whole Time Director
Sam Industries Ltd.
Village: Dakachya, Tehsil: Sanwer, A. B. Road, Indore -453771

In order to protect the identity of the complainant, the Competent Authority will not issue any acknowledgement to the complainant.

The Contact details of the Chairman of Audit Committee are as under:

Chairman, Audit Committee,
Whistle Blower/ Vigil Mechanism
C/o Chief Financial Officer
Sam Industries Ltd.
Village: Dakachya, Tehsil: Sanwer, A. B. Road, Indore -453771

INVESTIGATION

The Competent Authority shall weed out frivolous complaints after a preliminary enquiry by the confidential section. The Competent Authority based on the recommendation of confident section & depending upon the merit of the case shall forward the Complaint to the investigator(s) nominated for this purpose without disclosing the identity of the Whistle Blower.

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

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

ACTION

In case the Protected Disclosure is proved, the Competent Authority shall take such Disciplinary Action as it may think fit.

The competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and /or to prevent the re-occurrence of such improper activity.

If the investigation discloses that no further action on the protected disclosure is warranted, the Competent Authority shall extinguish the matter.

In case of matters of high concern, the Competent Authority may refer the matter to Audit Committee for taking such disciplinary/other actions as it may deem fit.

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, she/he can make a direct appeal to the Chairman of the Audit Committee.

REPORTING & REVIEW

The Competent Authority shall submit a quarterly report of the protected disclosures, received and of the investigation conducted and of the action taken to the Audit Committee for review.

DISPLAYS

The Whistle Blower Policy shall be uploaded on the Company's website.

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 5(Five) years or such other period as specified by any other law in force, whichever is more.

AMENDEMENT

This Policy can be modified at any time by the Board of Directors of the Company.