

VMS INDUSTRIES LIMITED

WHISTLE BLOWER POLICY

[Pursuant to Section 135 of Companies Act, 2013]

VMS INDUSTRIES LIMITED

CIN: L74140GJ1991PLC016714

Registered Office:

808/C PINNACLE BUSINESS PARK,
CORPORATE ROAD, PRAHLADNAGAR,
Ahmedabad, Gujarat-380015, India

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1. PREAMBLE

Section 177(9) of Companies Act, 2013, as amended, (the “Act”), Regulation 9A(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“SEBI Insider Trading Regulations”), and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI LODR Regulations”) requires companies with listed securities to frame a whistle blower policy for directors and employees to report genuine concerns. Accordingly, VMS INDUSTRIES LIMITED (the “Company” or “VMS”) has framed this Whistle Blower Policy (“Policy”).

2. APPLICABILITY

All Directors, Employees, stakeholders, including individual employees and their representative bodies or any other person who avail the mechanism of the Company are eligible to make Protected Disclosures (*defined below*) under the Policy in relation to matters concerning the Company.

3. DEFINITIONS

- a) **Audit Committee:** Audit Committee means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 which has the responsibility for supervising the development and implementation of this Policy;
- b) **Director:** Directors means all the directors appointed to the Board of the Company including whole-time directors of the Company;
- c) **Employee:** Employee means all the permanent employees of the Company;
- d) **Good Faith:** A Whistle Blower communicates in “Good Faith” if there is a reasonable basis, for the communication of genuine concerns or grievances, on suspected wrongful conduct/ unethical behaviour/actual or suspected fraud/ violation of the Company’s code of conduct or ethics policy. “Good Faith” is lacking when the Whistle Blower does not have personal knowledge of a factual basis for the communication or when the Whistle Blower knew or reasonably should have known that the communication about the unethical or improper practices is malicious, false, or frivolous;
- e) **Protected Disclosure:** Protected Disclosure means genuine concerns or grievances raised by a Whistle Blower of the Company, through written communication and made in Good Faith which discloses or demonstrates information about suspected wrongful conduct or unethical behavior, actual or suspected fraud, or violation of the Company’s code of conduct or ethics policy of the Company. It 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;
- f) **Subject:** 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;
- g) **Whistle Blower:** Whistle Blower shall mean An Employee or Director who makes a Protected Disclosure under this Policy and is also referred to in this Policy as a

“Complainant”.

- h) **Whistle Blower Committee:** Whistle Blower Committee shall comprise of [•].

All other words and expressions used but not defined in the Policy but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, each as amended and/ or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or reenactment thereto, as the case may be.

4. PROCEDURE FOR MAKING THE PERMITTED DISCLOSURES

- a. A Whistle Blower can through written communication, complete with related evidence, send the Protected Disclosure of actual facts to the Whistle Blower Committee, or in exceptional cases to the Chairman of the Audit Committee. Any communication which is not supported by reasonable evidence(s) shall not be entertained as it shall be perceived to have not been made in Good Faith. The Protected Disclosure should be made as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in legible handwriting in English or Hindi.
- b. The information on Protected Disclosures should be such information which the Whistle Blower in
- i. Good Faith, believes, evidences any of the following.
 - ii. Mismanagement or misappropriation of company funds/assets.
 - iii. Stealing cash/company assets; leaking confidential or proprietary information.
 - iv. Activities violating the Company’s policies related to the code of conduct and ethics.
 - v. Manipulation of the Company’s data, records, and resources for personal gain or with intent to inflict loss to the Company.
 - vi. Involving in activities that endanger public health and safety.
 - vii. An abuse of authority.
 - viii. Indulging in corruption, bribery, theft, fraud, coercion, and willful omission.
 - ix. Passback of commission/benefit or conflict of interest.

The above list is only illustrative and should not be considered exhaustive. For the avoidance of doubt, it is clarified that the matters which are related to Discrimination Free Workplace Policy and Sexual Harassment Policy would be referred to the Internal Committee constituted under the said Discrimination Free Workplace Policy and Sexual Harassment Policy of the Company.

- c. The Protected Disclosure should be submitted in a closed and secured envelope and should be superscribed 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 may not be possible to protect the Complainant and the Protected Disclosure will be dealt with as if a normal disclosure. In order to protect the identity of the Whistle Blower, no acknowledgment will be given to the Complainant and he/she is advised not to write their name/address on the envelope. Anonymous / Pseudonymous disclosure shall not be entertained and will ordinarily NOT be investigated however it shall be the duty and responsibility of the Whistle Blower Committee, to protect the identity of the Whistle Blower. The Protected Disclosure should be forwarded under a covering letter signed by the Whistle Blower.

- d. All Protected Disclosures should be addressed to the Whistle Blower Committee. The Company Secretary of the Company shall also act as secretary to the Committee. The contact detail of the Company Secretary of the Whistle Blower Committee is as under: -

Name: HEMAL PATEL,

Designation: Company Secretary and Compliance Officer

Address: 808/C Pinnacle Business Park, Corporate Road, Prahladnagar, Ahmedabad-380015

Email: cs@vmsil.in

- e. Protected Disclosure against any of the members of the Whistle Blower Committee or in exceptional cases may be addressed to the Chairman of the Audit Committee of the Company. The contact detail of the Chairman of the Audit Committee is as under:

Name: [•]

Designation: Chairman, Audit Committee

Address: [•]

E mail: [•]

Protected Disclosure against the Chairman of the Company should be addressed to the Chairman of the Audit Committee. Protected Disclosure against the Chairman of the Audit Committee should be addressed to the Board of Directors.

- f. On receipt of the Protected Disclosure, the Whistle Blower Committee or the Chairman of the Audit Committee, as the case may be, shall carry out an initial investigation, which includes ascertaining from the Complainant whether he was the person who made the Protected Disclosure or not, either himself or by involving any other officer of the Company or an outside agency. After a preliminary inquiry, the Whistle Blower Committee or the Chairman of the Audit Committee, as the case may be, shall provide the details of the Protected Disclosure to all the members of the Audit Committee of the Company for their perusal. The Audit Committee members, if deems fit, may call for further information or particulars from the Complainant or give requisite directions to the Whistle Blower Committee.

5. GUIDELINES

- a. **Internal Policy:** This Policy is an internal policy on disclosure by Whistle Blowers of any genuine concerns or grievances on suspected wrongful conducts or unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy and access to the Whistle Blower Committee and in exceptional cases to the Audit Committee of the Company.
- b. **Prohibition:** This Policy prohibits the Company from taking any action, which may lead to unfair termination or unfair prejudicial employment practices (i.e. threaten, demote, relocate etc.) against Whistle Blowers who have submitted the Permitted Disclosures in Good Faith.
- c. **Rights of Whistle Blower:** The Whistle Blower shall be free to submit Permitted Disclosures to the Whistle Blower Committee without informing his/her supervisor. The Whistle Blower may lodge the Permitted Disclosures directly to the Chairman of the Audit Committee also.

6. RESPONSIBILITIES/ACCOUNTABILITIES OF WHISTLE BLOWER

Whistle Blower shall:

- a. Bring early attention of the Company to any improper practice he /she becomes aware of.
- b. Avoid anonymity when raising a concern.
- c. Have a responsibility to be candid with the members of the Whistle Blower Committee or others to whom they make a report of alleged improper activities and shall set forth all known information regarding any reported allegations.
- d. Co-operate with the Whistle Blower Committee and the investigating team (as may be nominated by the Whistle Blower Committee or the Audit Committee).
- e. Maintain full confidentiality.
- f. Have the right to protection from retaliation. But this does not extend to immunity for complicity in the matters that are the subject of the allegations and investigation. In exceptional cases, where the Complainant is not satisfied with the outcome of the investigation carried out by the Whistle Blower Committee, she/he can make a direct appeal to the Chairman of the Audit Committee.
- g. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty complaints. Malicious allegations by any person/ Whistle Blower may attract disciplinary action.

7. INVESTIGATION INTO COMPLAINT AND IT'S DISPOSAL

- a. All Protected Disclosures under this Policy will be recorded and thoroughly investigated. The Whistle Blower Committee shall investigate all whistleblower reports received and may at its discretion consider involving any other officer of the Company and/ or an outside agency for the purpose of investigation.
- b. On receipt of the Protected Disclosure, the officer appointed shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- c. Audit Committee, if the circumstances so suggest, may give requisite directions to the Whistle Blower Committee or appoint a senior executive or a committee of managerial personnel to investigate the matter and prescribe the scope and time limit, therefore. Audit Committee shall have the right to outline the detailed procedure for an investigation. Where the Audit Committee has designated a senior executive or a committee of managerial personnel for investigation, they shall mandatorily adhere to scope and procedure outlined by Audit Committee for investigation.
- d. The Whistle Blower Committee, the Audit Committee, and/or the investigating team (as may be nominated by the Whistle Blower Committee or the Audit Committee), as the case may be, shall have the authority to call for any information/documents and examination of any employee, etc. for determining the correctness of the complaints.
- e. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact-finding process.
- f. Subject(s) may be informed in writing of the allegations and provided with the opportunity for providing their inputs during the investigation.
- g. Subject(s) shall have a duty to cooperate with the Whistle Blower Committee, the Audit Committee, and/or the investigating team as may be nominated in this regard.
- h. Subject(s) have a right to consult with a person or persons of their choice, other than the investigators and/or members of the Whistle Blower Committee and/or Audit Committee and/or the Whistle Blower.
- i. 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, coached, threatened, or intimidated by the subject(s).

- j. 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.

8. DECISION AND REPORTING

- a. If an investigation leads to conclude that an improper or unethical act has been committed, the Whistle Blower Committee / Audit Committee shall determine the future course of action and may order remedial and/or disciplinary action as they may deem 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.
- b. The Whistle Blower Committee shall submit a report to the Audit Committee, on a quarterly basis or such other periodicity as may be desired by the Audit Committee, about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- c. Audit Committee of the Company shall oversee the vigil mechanism and if any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves, and the others on the Audit Committee would deal with the matter on hand.
- d. In case the Subject is a member of the Whistle Blower Committee, 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 which includes appointing a senior executive or a committee of managerial personnel to investigate the matter and prescribe the scope and time limit, therefore. The Audit Committee shall have the right to outline the detailed procedure for an investigation.
- e. A Complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Whistle Blower Committee or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures, and policies of the Company.
- f. The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure and is extendable by such period as the Whistle Blower Committee or the Audit Committee (as the case may be) deems fit.

9. CONFIDENTIALITY

- a. maintain the confidentiality of all matters under this Policy and
- b. 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.
- c. The identity of the Whistle Blower 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. Any other Employee/Associate assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- d. The Company may disclose the Permitted Disclosure (including the identity of the Whistle Blower) if it is required in compliance with applicable law, or judicial or other governmental order or internal policy of the Company.

10. PROTECTION OF WHISTLE BLOWERS

- a. No adverse personnel action shall be taken or recommended against the Whistle Blower in retaliation to his Permitted Disclosure in Good Faith 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. This Policy protects

such Employees from unfair termination and unfair prejudicial employment practices. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate the same and recommend suitable action to the management. The Company will take steps to minimize difficulties, if any 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.

Provided however that the Complainant before making a complaint has a 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 and/or the applicable laws.

- b. This Policy does not protect an Employee of the Company from an adverse action that occurs on account of any other reason including but not limited to unethical and improper practice or alleged wrongful conduct, poor job performance, reduction in workforce, or, any other disciplinary action, etc. unrelated to his Permitted Disclosure made pursuant to this Policy.

11. 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 in accordance with the rules, procedures and policies of the Company 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. This will also apply to those Directors and employees, who make false statements or give false evidence during the investigations.

12. ACCESS TO THE CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have the right to access the 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.

13. COMMUNICATION

The Joint Managing Director is required to notify and communicate the existence and contents of this Policy properly communicated to all the Employees of the Company. All Employees shall be informed by publishing the same on the notice board/intranet of the Company and on the website of the Company.

14. ANNUAL AFFIRMATION

The Whistle Blower Committee shall annually affirm that it has not denied any person access to the Audit Committee and that it has provided protection to the Whistle Blower from adverse personnel action.

15. DOCUMENT RETENTION

All documents related to reporting, investigation, and enforcement pursuant to this Policy shall be kept for such period as specified under the applicable law.

16. **ADMINISTRATION AND REVIEW OF THE POLICY**

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

17. **WAIVERS AND AMENDMENTS**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Employees shall be informed by publishing the same on the notice board/intranet of the Company and on the website of the company.