

SWARNSARITA GEMS LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY OF SWARNSARITA GEMS LIMITED

PREAMBLE

In pursuant to Section 177 of the Companies Act, 2013 read with Regulation 22 of SEBI (LODR) Regulations, 2015 requires every listed company to establish a '*Vigil Mechanism*' for the directors and employees to report genuine concerns in such manner as may be prescribed.

Swarnsarita Gems Limited has adopted a Code of Conduct ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide 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.

Further, SEBI at its meeting held in February 2014 mandated every listed companies to establish a mechanism called '*Whistle Blower Policy*' with effect from October 2014 for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.

POLICY

For maintaining highest standards of ethical, moral and legal conduct of business operations. **Swarnsarita Gems Limited** encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (*Whistle Blower*) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

SCOPE OF THE POLICY

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

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ELIGIBILITY

All employees of the Company (whether on pay roll or otherwise) including top management are eligible to make privileged disclosures under the policy.

DEFINITIONS

“**Alleged wrongful conduct**” shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the Stock Exchanges.

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

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

“**Protected Disclosure**” means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “*SCOPE OF THE POLICY*” with respect to 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.

“**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.

“**Vigilance and Ethics Officer**” means an officer appointed 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.

“**Whistle Blower**” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

“**Privileged Disclosure**” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Such disclosures include, but are not limited to:

- Criminal offences (corporate fraud, corruption, bribery or theft), which has been or is likely to be committed.
- Unethical business conduct and serious irregularities, regulatory or financial.
- Conflict of business interests
- Misuse of Company assets
- Misuse of authority
- Willful suppression of facts

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- Funds being used in any unauthorized manner
- Mis-statement in the Company's financial records which include time sheets, sales records and expense reports and distorting the true nature of the transaction.
- Falsification of transactions/documents
- Miscarriage of justice or any injustice which has been or is likely to be done
- Health or safety of any individual/employee is likely to be endangered
- Discrimination occurring to any member of the staff such as favoritism, communal bias, etc.
- Actions exceeding the authority so granted in the day to day course of business
- Any other form of improper action or conduct

RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

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 so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in Hindi.

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 if a normal disclosure.

In order to protect identity of the complainant, the Vigilance and or Chairman of Audit Committee will not issue any acknowledgement to the complainants 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 or Chairman of Audit Committee. The Vigilance and Ethics Officer or Chairman of Audit Committee shall assure that in case any further clarification is required he will get in touch with the complainant.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer or Chairman of Audit Committee.

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.

All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. \

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

Name and Address of (Chief Financial Officer)

Mr. Sanket Dangi,
20/13, Yeshwant Niwas Road,
Indore- 452003.

Email- sanket@swarnsarita.com

Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit Committee.

The contact details of the Managing Director of the Company are as under:

Mr. Mahendra M. Chordia
901, Silver Solitair, Tilak Rd,
Ghatkopar (East), Opp. Axis Bank,
Rajawadi, Mumbai - 400077.

Email- mahendra@swarnsarita.com

The contact details of the Chairman of the Audit Committee of the Company are as under:

Mr. Dhruvin B. Shah
Flat No-103, 1st Floor,
Shanti Nath Tower Sudha Park,
Shanti Path, Ghatkopar (East),
Mumbai - 400077.

Email- dhruvinbshah@gmail.com

On receipt of the protected disclosure the Vigilance and Ethics Officer / Managing Director / 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;
- d) Details of actions taken by Vigilance and Ethics Officer / Chairman/ CEO for processing the complaint
- e) Findings of the Audit Committee
- f) The recommendations of the Audit Committee/ other action(s).

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

INVESTIGATION

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.

The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

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.

Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

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.

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).

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.

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.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

DECISION AND REPORTING

If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he 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.

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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.

In case the Subject is the Managing Director 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.

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.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or Chairman of the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

SECRECY / CONFIDENTIALITY

The complainant, Vigilance and Ethics Officer, Members of 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.
- Not keep the papers unattended anywhere at any time
- Keep the electronic mails / files under password.

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. 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.

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.

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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. 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 law enforcement agencies, in which case members of the organization are subject to subpoena (to compel for attendance).

Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

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.

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.

COMMUNICATION

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

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

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.

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. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.