

PREAMBLE

Section 177(9) of the Companies Act, 2013 read Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 provides for mandatory establishment of vigil mechanism for the Directors and employees of the Company to report their genuine concerns in the prescribed manner in every listed company and such class or classes of companies, as has prescribed in the above mentioned Rules.

Section 177(10) of the Companies Act, 2013 Vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Ashnoor Textile Mills Limited (the Company), being a listed company, has formulated a Code of Conduct (the Code), that lays down the principles and standards that should govern the actions of the Company and their 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.

The Listing Agreement between the Company and the Bombay Stock Exchanges, *inter alia*, provides for a mandatory requirement to establish a mechanism called “Whistle Blower Policy” for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company’s code of conduct or ethics policy.

POLICY

In compliance of the above requirements, Ashnoor Textile Mills Limited (the Company) has established a Vigil Mechanism (Whistle Blower Policy) and lays down the principles and standards that should govern the actions of the Company and their 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.

POLICY OBJECTIVES

Whistle Blower Policy aims to provide a channel to the Directors and employees and also encourage them to bring genuine ethical and genuine concerns, violations and suspected fraudulent behavior about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy to an internal authority, i. e. Audit Committee.

DEFINITIONS

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

“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 read with Clause 49 of the Standard Listing Agreement with the Stock Exchange.

“Code” means the Code of Conduct.

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

“Investigator(s)” mean the person(s) authorized, appointed, consulted or approached by the Audit Committee and includes the Auditors of the Company and the Police.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

“Whistle Blower” means an Employee making a Protected Disclosure under this Policy.

SCOPE

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’s rules/code, manipulations, negligence causing danger to public health and safety, misappropriation of monies/data and other matters or activities on account of which the interest of the Company is affected.

ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

PROCEDURE

All Protected Disclosures should be reported in writing (typed or written in a legible handwriting in English or Hindi) by the Whistle Blower as soon as possible. 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 and bear the identity of the Whistle Blower. At Present Mr. Piyush Gupta, an independent Director, is Chairman of Audit Committee. His contract details are as follows:

Mr. Piyush Gupta

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Cell-.....

E mail –

If the Whistle Blower does not wish to reveal identity then the disclosure should complete and be supported by facts and figures to enable proper scrutiny and investigation

Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to enable proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

INVESTIGATION

Before referring the matter to the Audit Committee of the Company, the Chairman of Audit Committee shall carry out an investigation himself/herself or/and by involving any other officer of the Company or/and an outside agency before referring the matter to the Audit Committee of the Company.

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

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 a Subject will be kept confidential to the extent possible keeping in mind the legitimate needs of law and the investigation.

The investigation shall be completed normally within 60 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

After conclusion of the initial review and findings which prima facie establish a need for a formal investigation the Subjects shall be informed about the allegations at the outset of a formal investigation and given opportunities for providing their inputs during the investigation.

Subjects shall be given opportunity to consult with a person (s) of their choice, other than the Investigator(s) / members/Chairman of the Audit Committee /Whistle Blower and also to engage counsel at their own cost to represent them in the investigation proceedings.

The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

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.

A report on complaint received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

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

If the alleged fraud or misconduct is proven after investigation, the Audit Committee may impose such penalty / fine as it may deem fit depending upon nature of fraud or unethical act done by the person or may take such appropriate action as it may deem fit.

RETENTION OF DOCUMENTS

All written Protected Disclosures along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 3 years.

CONFIDENTIALITY

The complainant, Vigilance 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 and keep the papers in safe custody.

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 Blower. Complete protection will, therefore, be given to Whistle Blower 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 complainant's right to continue to perform his duties/functions including making further disclosure. The Company will take steps to minimize difficulties which the Whistle Blower may experience as a result of making the disclosure.

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. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the Whistle Blower 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 Whistle Blower being disclosed, the Committee is authorized to initiate appropriate action as per extent 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 mechanism, unless the issue requires investigation by law enforcement agencies. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

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

Directors and Employees shall be informed of the Policy by publishing on the 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 5 (five) years or such other period as specified by any other law in force, whichever is more.

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 Directors and employees unless the same is not communicated in the manner described as above.