

SUPERTEX INDUSTRIES LIMITED

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

1. Preface

- 1.1 Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges, inter-alia, provides to establish a vigil mechanism which may be called “Whistle Blower Policy” for employees and Directors to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct.
- 1.2 Pursuant to that and as a part of good corporate governance, the Company has framed a whistle blower policy to promote responsible and secure Whistle Blowing, where it is safe for all employees and Directors to raise concerns about any poor or unacceptable practice and any event or misconduct.

2 Definitions

- 2.1 **“Disciplinary Action”** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to warning, imposition of fine, suspension from official duties or any such action as deemed to be fit considering the gravity of the matter.
- 2.2 **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity”.
- 2.3 **“Subject”** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 2.4 **“Whistle Blower”** means an employee/director making a Protected Disclosure under this Policy.
- 2.5 **“Investigators”** means those persons authorised, appointed, consulted or approached by the Whole-time Director/Chairman of the Audit Committee and includes the auditors of the Company.

3. The Guiding Principles

- 3.1 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
 - 3.1.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
 - 3.1.2 Treat victimization as a serious matter including initiating disciplinary action on such person;
 - 3.1.3 Not to attempt to conceal evidence of the Protected Disclosure;

3.1.4 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made.

4. Coverage of Policy

4.1 The Policy covers acts of wrong doing, as illustrated below but not necessarily be limited to:

- a) Alteration of documents.
- b) Fraudulent financial reporting, financial irregularities including fraud or suspected fraud.
- c) Misappropriation/misuse of the company resources such as fund, assets of the company.
- d) Authorising/receiving compensation for goods not received/ services not performed/ compensation for hours not worked.
- e) Manipulation of company data/records.
- f) Pilferation of confidential/propriety information.
- g) Deliberate violation of law/regulation.
- h) Abuse of authority.
- i) Breach of contract.
- j) Negligence causing substantial and specific danger to public health and safety.

4.2 Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

5. Disqualifications

5.1 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.

5.2 Protection under this Policy would not mean protection from disciplinary action 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.

5.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be malafide or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

6. Manner in which concern can be raised

6.1 Employees can make Protected Disclosure to Whole-time Director or to the Chairman of Audit Committee as soon as possible but not later than 30 consecutive days after becoming aware of the same.

6.2 Whistle Blower must put his/her name to allegations or forward the protected disclosure under a covering letter which shall bear the identity of the whistle blower. Concerns expressed anonymously WILL NOT BE investigated.

- 6.3 Protected disclosures should be reported in writing so as to have a clear understanding of the issues raised and should be typed or written in a legible handwriting in English, Hindi or in the regional languages of the place of employment of the whistle blower.
- 6.4 If initial enquiries by Whole-time Director/ Chairman of Audit Committee indicate that the concern has no basis, or it is not a matter to be investigated/ pursued under this Policy, it may be dismissed at this stage and the decision is documented.
- 6.5 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by Whole-time Director or the Chairman of the Audit Committee as the case may be, who will investigate/oversee the investigation.
- 6.6 The Whole-time Director/Chairman of Audit Committee of the company may at his discretion, consider involving investigators for the purpose of investigation.
- 6.7 The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- 6.8 Name of the Whistle Blower shall not be disclosed to the investigators.
- 6.9 The Whole-time Director/Chairman of the Audit Committee will make a detailed written record of the Protected Disclosure. The record will include:
- a) Facts of the matter;
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether any Protected Disclosure was raised previously against the same Subject;
 - d) The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
- 6.10 Protected disclosure should be factual and not a speculative and should contain as much as possible the specific information to allow for proper understanding of issue.
- 6.11 The Whole-time Director/Chairman of Audit Committee would complete the investigation expeditiously.
- 6.12
- i) In case the Protected Disclosure is proved, take such Disciplinary Action as the Whole-time Director/Chairman of Audit Committee may think fit and take preventive measures to avoid re-occurrence of the matter;
 - ii) In case the Protected Disclosure is not proved, extinguish the matter.
- 6.13 Depending upon the seriousness of the matter, the Whole-time Director/Chairman of the Audit Company may refer the matter to the Audit Committee of Directors for necessary action, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.
- 6.14 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairman of the Audit Committee.

6.15 The Audit Committee of Directors shall oversee the Whistle Blower mechanism.

7. Protection

7.1 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 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, discrimination, any type of harassment, biased behavior 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.

7.2 The identity of the Whistle Blower shall be kept confidential.

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

8. Secrecy/Confidentiality

The Whistle Blower, the Subject and every one involved in the process shall:

- a) maintain complete confidentiality/ secrecy of the matter;
- b) not to discuss the matter in any informal/social gatherings/ meetings;
- c) discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
- d) not to keep the papers unattended anywhere at any time;
- e) keep the electronic mails/files under password.

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

9. Reporting

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee.

10. 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.