

SOMANY HOME INNOVATION LIMITED			
SUBJECT: VIGIL MECHANISM (WHISTLE BLOWER)			
CURRENT EFFECTIVE DATE	17 SEPTEMBER 2019	VERSION NO.	SHIL/VERSION I

1. OBJECTIVE

- To enable **Directors and Employees** to voice concerns - in a responsible and effective manner.
- To provide a platform for **Directors and Employees** to disclose information internally, which he/she believes shows serious malpractice, impropriety, abuse or wrongdoing within the organization - without fear of reprisal.
- To enable disclosure of information (as found above), independently of line management (although in relatively minor instances the immediate Supervisor would be the appropriate person to be informed).
- To ensure that no **Director or Employee** of the Company feels he/she is at a disadvantage to raise legitimate concerns.
- To enable **Directors and Employees** to report Reporting Instances under the Company Code of Conduct to Regulate, Monitor and Reporting Trading by Designated Persons (hereinafter referred to as the "Reporting Instances"). Reporting Instances include the following:
 - (i) Dealing in Securities in contravention of the provisions of the PIT Regulations or this Code by any person: or
 - (ii) Any act or circumstance by virtue of which any UPSI becomes generally available in contravention of the provisions of this Code or the Fair Disclosure Code. It is hereby clarified that any purported attempt by any person for making the UPSI as generally available information in contravention of the provision of this Code or the Fair Disclosure Code shall also be considered as the Reporting Instance.

2. ELIGIBILITY

All Directors and regular employees of the Company, outsourced agencies and trainees.

3. SCOPE OF THE POLICY

Directors and Employees are often the first to realize that there may be something seriously wrong within the Company. However, the **Directors and Employees** may be worried about raising such issues or may want to keep the concerns to himself/herself because he/she may consider that it is none of his/her business or that it is only a suspicion. He/she may also feel that raising the matter would be disloyal to his/her colleagues, managers or to the Company itself. Also, he/she may decide to say something but find that he/she has not spoken to the right person, or he/she has raised the issue in the wrong way and are not sure what to do next. This policy is designed to enable **Directors and Employees** of the Company to raise concerns internally and at a high level and to disclose information, which the individual believes is a Reporting Instance or shows malpractice, impropriety, abuse or wrongdoing. This policy is intended to deal with concerns which are at least initially to be investigated separately but might then lead to the invocation of other procedures e.g. disciplinary. It should be emphasized that this policy is intended to assist employees who believe they have discovered any Reporting Instance, malpractice, impropriety, abuse or wrongdoing. **It is not designed to question financial or business decisions taken by the Company nor should it be used to reconsider any matters, which have already been addressed pursuant to disciplinary or other procedures of the Company.**

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4. POLICY & PROCEDURE

4.1 What constitutes Malpractice, Impropriety, Abuse or Wrongdoing?

Malpractice, impropriety, abuse and wrongdoing (hereinafter referred to as "Concern") can include a whole variety of issues and some are listed below. However, this is not a comprehensive list but is intended to illustrate the sort of issues, which may be raised under this policy.

- Any unlawful act, whether criminal (e.g. theft) or a breach of the civil law (e.g. slander or libel)
- Reporting Instances
- Breach of any Policy or Manual or Code adopted by the Company
- Fraud and corruption (e.g. to solicit or receive any gift/reward as a bribe)
- Any instance of failure to comply with legal or statutory obligation either for and on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
- Any instance of any sort of financial malpractice
- Abuse of power to get undue favours
- Any other unethical or improper conduct

4.2 How to disclose a Concern?

It is perfectly acceptable for the **Director / Employees** to discuss his/her Concern with a colleague and the **Directors/ Employee** may find it more comforting to raise the matter if there are two (or more) **Directors / Employees** who share the same Concerns.

An employee intending to make any disclosure of a Concern is required to disclose all relevant information regarding the Concern as soon as possible but not later than three months from the day on which he/she knew of the Concern. Provided that the Reporting Instances shall be disclosed immediately but not later than 7 days from the date the employee knew of such Reporting Instance.

4.3 To whom should a Concern be disclosed?

The Concern should be disclosed through E-mail or letter (only in writing) to Chief Financial Officer (CFO) who has been designated as "**Ombudsperson**".

4.4 Who will investigate into the Concern?

The Concern shall be investigated by the Ombudsperson either by himself/herself or through any other person as may be deemed necessary by the **Ombudsperson**, who will be appointed by the senior management.

4.5 Who will take a decision vis-à-vis the Concern?

A decision vis-à-vis the Concern disclosed shall be taken by the Compliance Committee comprising of the following persons;

- Ombudsperson



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- Group HR Head
- Group Legal Head

4.6 Rules for Investigation and decision by the Compliance Committee

The Compliance Committee shall frame such rules as may be deemed necessary to enable a fair conduct of inquiry and investigation as well as decision.

4.7 Procedure for handling the disclosed Concern

Once any disclosure of Concern has been made by **Director/ Employee**, the Ombudsperson to whom the disclosure has been made shall pursue the following steps:

- Obtain full details and clarifications of the complaint.
- Consider the involvement of the Company's internal resource/ Auditors or the Police or any other external investigation agency or person.
- Fully investigate into the allegation with the assistance where appropriate, of other individuals / bodies.
- Prepare a detailed written report and submit the same to the Compliance Committee, as the case may be, not later than 30 days from the date of disclosure of Concern.

Whilst the purpose of this policy is to enable the Company to investigate Concerns raised by the employees and take appropriate steps to deal with it, the Company will give the employee as much feedback as the Company can.

The Company may not be able to inform the **Director / Employee** the precise action the Company takes where this would infringe a duty of confidence owed by the Company to someone else.

4.8 Procedure to be pursued by the Compliance Committee

- The Compliance Committee will, based on the findings in the written report submitted by the Ombudsperson and after conducting further investigation as it may deem fit, come to a final decision in the matter not later than 30 days from the date of receipt of the written report.
- If the complaint is shown to be justified, then the Compliance Committee shall invoke the disciplinary or other appropriate action against the defaulting employee as per Company procedures.
- A copy of the decision in writing shall be sent to the Ombudsperson who shall also place the same before a meeting of the Audit Committee held immediately after the date of such a final decision.

All decisions by the Compliance Committee shall be by way of a simple majority. In the case of a tie, the matter should be referred to the Chairman for a final decision in the matter.

4.9 Overview of the Vigil Mechanism

The audit committee of the company shall oversee the vigil mechanism and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

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An annual report of the Vigil Mechanism to be given to the Audit Committee for their review.

4.10 Anonymous Allegations

This policy encourages employee to put his/her name to any disclosures he/she makes in writing. Concerns expressed anonymously will not be entertained.

4.11 Untrue Allegations

If a **Director/ Employee** make an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that employee. In making a disclosure the Director/Employee should exercise due care to ensure the accuracy of the information.

In case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand/termination.

4.12 Maintaining confidentiality of the Concern as well as the disclosure

The **Director / Employee** making the disclosure of Concern as well as any of the persons to whom the Concern has been disclosed or any of the persons who will be investigating or deciding on the investigation shall not make public the Concern disclosed except with the prior written permission of the Compliance Committee.

Further in case there is breach of confidentiality by the members of the committee, it will be treated as misconduct on the part of the member.

However, this restriction shall not be applicable if any Director/ Employee is called upon to disclose this issue by any judicial process and in accordance with the laws of land.

5. ASSURANCES UNDER THE POLICY

If a **Director/ Employee** raises genuine concern under this policy, he/she will not be at risk of losing his/her job nor will he/she be suffering from any form of retribution as a result. If one is acting in good faith it does not matter if one is mistaken.

The Company will not tolerate any harassment or victimization (including informal pressures) of/against the disclosing employee and will take appropriate action to protect the **Director/ Employee** when he/she raises a concern in good faith.

If the **Director/ Employee** asks for protection of his/her identity, the Company will not disclose it without his/her consent. However, it is possible that the Company will be unable to resolve the concern raised without revealing the employee's identity (e.g. required for conducting an effective investigation or when evidence is needed in a Court). But if this occurs the Company will discuss with the **Director/ Employee** as to how the Company and **Director/ Employee** can proceed further in the matter and decide accordingly.

6. COMPLAINTS OF RETALIATION AS A RESULT OF DISCLOSURE

If a **Director/ Employee** believes that he or she has been retaliated against in the form of an adverse personnel action for disclosing Concern under this policy he/she may file a written complaint to the Ombudsperson requesting an appropriate remedy.

For the purposes of this policy an adverse personnel action shall include a disciplinary suspension; a decision to hold back promotion when due; a decision not to grant a salary increase; a decision not to

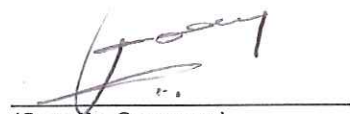


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hire; a termination; an involuntary demotion; rejection during probation; an involuntary resignation; an involuntary retirement; or an unfavourable change in the general terms and conditions of employment.

The email id where employees can post their complaints / observations is vigilmech@shilgroup.com

Policy approved by : Board of Directors in their meeting held on 17th September, 2019



(Sandip Somany)
Chairman and Non- Executive Director

