



**TEXEL INDUSTRIES LIMITED**  
**(L29100GJ1989PLC012576)**

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

**REGISTERED OFFICE**

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## **Vigil Mechanism / Whistle Blower Policy**

### **PREAMBLE:**

M/s. Texel Industries Limited (“the Company”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

The Company is committed to developing a culture where it is safe for all employees, directors and other stakeholders of the Company to raise concerns about any unacceptable practice and any event of misconduct or violation of the law in force. The Company also strives to create awareness amongst employees, directors and other stakeholders of the Company to report instance(s) of leakage / suspected leakage of unpublished price sensitive information (“UPSI”). To this end, the Company has adopted the “Code of Conduct for Directors and Senior Management of the Company” (“the Code”), which lays down the principles and standards that should govern the actions of the Company, its Associates, its directors and its employees. Any violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the directors, employees and other stakeholders in pointing out such violations of the Code is important.

This amended Vigil Mechanism / Whistle Blower Policy has been approved by the Board of Directors of the Company at its meeting held on 3<sup>rd</sup> February, 2020. This amended Policy shall be effective with immediate effect and it shall be hosted on the website of the company viz. [www.geotexelin.com](http://www.geotexelin.com).

### **LEGAL FRAMEWORK:**

**Section 177(9) of the Companies Act, 2013** read with Rules framed thereunder, inter-alia, provides for certain class of companies to establish a vigil mechanism for directors and employees to report to the management, instances of unethical behavior, actual or suspected fraud or violation of the law or other genuine concerns.

**Regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015**, as amended, requires that every listed company shall have a Whistle-Blower Policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, contains similar requirement for establishment of a Vigil Mechanism termed ‘Whistle Blower Policy’ under following Regulations read with Schedule II:

**Regulation 4(2)(d)(iv):** The listed entity shall devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

**Regulation 46(2)(e):** The listed entity shall disseminate details of establishment of vigil mechanism / Whistle Blower Policy under a separate section on its website.

**Regulation 18(3) read with sub-part A of Part C of Schedule II:** The role of the Audit Committee shall include to review the functioning of the whistle blower mechanism.

In line with the aforesaid legal requirements, the Company has established Vigil / Whistle Blower Mechanism and formulated this Policy for the same.

### **1. POLICY OBJECTIVE:**

This Vigil Mechanism / Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism / channel for employees, directors and other stakeholders of the Company to raise concerns of suspected frauds, any violations of legal / regulatory requirements or Code of Conduct for Directors and Senior Management of the Company, incorrect or misrepresentation of any financial statements and reports or any instance(s) of leakage / suspected leakage of UPSI etc. The purpose of this Policy is to encourage the employees, directors and other stakeholders of the Company, who have concerns about suspected misconduct to come forward and express these concerns without fear or punishment or unfair treatment or any adverse action. This Policy aims to provide an avenue for employees and directors to raise concerns in good faith.

### **2. SCOPE:**

The Vigil Mechanism / Whistle Blower Policy intends to cover serious concerns that could have grave impact on the operations and performance of the Company. This mechanism provides for adequate safeguards against victimization of employees and directors or any other person who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

### **3. 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 a committee constituted by the Board of Directors of the Company in accordance with regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.
- **“Code”** means Code of Conduct for Directors and Senior Management of the Company adopted by Texel Industries Limited.
- **“Disciplinary Action”** means any action that can be taken on the completion of / during the investigation proceedings including but not limited to a warning, salary freeze, ineligibility for future participation in employee stock option plans, recovery, claw back, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- **“Employee”** means the present employees of the Company (Whether working in India or abroad).
- **“Insider”** means any person who,
  - (i) is a connected person; or
  - (ii) is in possession of or having access to unpublished price sensitive information.
- **“Leak of UPSI”** shall mean communication of information which is/ shall be UPSI, by any Insider(s) or Employee(s) or any other known or unknown person(s) to any person(s), other than a person(s) authorized by the Board of Directors or Compliance Officer of the Company, without adhering to the due process prescribed in this behalf in the ‘Code of Practice and Procedure for Fair Disclosure of UPSI’ of the Company and/or under SEBI (Prohibition of Insider Trading) Regulations, 2015 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s) or reenactment(s) thereto.
- **“Policy / Mechanism”** shall mean Whistle Blower Policy / Vigil Mechanism, as per the respective nomenclature specified under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Prohibition of Insider Trading) Regulations, 2015 or such other applicable laws requiring the establishment of such Vigil Mechanism / Whistle Blower Policy.
- **“Protected Disclosure”** means a concern raised by an employee / director or group of employees / directors of the Company or other stakeholders, through a written communication and made in good faith which discloses or demonstrates information about instances of unethical behavior, actual or suspected fraud or violation of the

Company's Code of Conduct for Directors and Senior Management of the Company or any instance(s) of leakage / suspected leakage of UPSI. 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 Blower, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- **“Unpublished Price Sensitive Information”** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
  - (i) Financial results;
  - (ii) Dividends;
  - (iii) Change in capital structure;
  - (iv) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - (v) Changes in key managerial personnel.
- **“Whistle Blower”** is an employee / director or group of employees / directors or other stakeholders of the Company who make a Protected Disclosure under this policy and also referred to in this policy as complainant.

#### **4. COVERAGE UNDER THE POLICY:**

The Policy covers malpractices and alleged wrongful conduct which have taken place/suspected to take place including but not limited to the following –

- Abuse of authority,
- Breach of contract.
- Negligence causing substantial and specific danger to public health and safety,
- Manipulation of the date/records/accounts/reports,
- Financial irregularities, including fraud or suspected fraud or deficiencies in internal control and check or deliberate error in preparations of financial statements or misrepresentation of financial reports,

- Any unlawful act whether Criminal/Civil,
- Pilferage of confidential/propriety information,
- Deliberate violation of law/regulation,
- Misappropriation of funds/assets,
- Deliberate violation of Rules/Code of Conduct for Directors and Senior Management of the Company,
- any instance(s) of leakage / suspected leakage of UPSI,
- Any matter or activity on account of which the interest of the Company is affected.

However, this policy neither releases employees/directors 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. Further, it should not be used as a route for taking up a grievance about a personal situation.

#### **5. ELIGIBILITY:**

Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- Employee / group of Employees of the Company,
- Director / group of Directors of the Company,
- Employees of other agencies deployed for the Company's activities, whether working from any of the Company's units/branches/administrative offices or any other location,
- Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company,
- Customers of the Company, and
- Any other person having an association with the Company.

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this policy.

#### **6. GUIDING PRINCIPLES:**

To ensure that this Policy is adhered to and to assure that the concerns will be acted upon seriously, the Company will:

- ensure that the Whistle Blower and/or the person processing the Protected Disclosure are not victimized for doing so.
- treat the instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct for Directors and Senior Management of the Company or

any instance(s) of leakage / suspected leakage of UPSI as a serious matter, including initiating disciplinary action against person(s).

- ensure complete confidentiality.
- not attempt to conceal evidence of the Protected Disclosure.
- take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made.
- provide an opportunity of being heard to the persons involved especially

#### **7. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:**

- All Protected Disclosures should be reported in writing and in duplicate by the Whistle Blower as soon as possible 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 / Hindi.
- The Protected Disclosure should be submitted in a closed and secure envelope and should be super scribed as “**Protected Disclosure under the Whistle Blower Policy**”. Alternatively, the same can also be submitted 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 Vigilance and Ethics Officer / Chairman of the Audit Committee, as the case may be, to protect the complainant and the Protected Disclosure will be dealt with as a normal disclosure.
- In order to protect identity of the Whistle Blower / complainant, the Vigilance and Ethics Officer / Chairman of the Audit Committee will not issue any acknowledgement to the Whistle Blower/complainants and they are advised not to enter into any further correspondence with the Vigilance and Ethics Officer / Chairman of the Audit Committee. The Vigilance and Ethics Officer / Chairman of the Audit Committee shall assure that in case any further clarification is required he will get in touch with the Whistle Blower/complainant.
- Anonymous disclosure shall not be entertained by the Vigilance and Ethics Officer / Chairman of the 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 shall detach the covering letter bearing the identity of the Whistle Blower / Complainant and process only the Protected Disclosure.
- 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 allow for proper assessment of the nature and extent of the concern.
- All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee as stated below:
  - a) Any Protected Disclosure against any employee of the Company shall be addressed to the Vigilance and Ethics Officer of the Company.
  - b) Any Protected Disclosure against any director of the Company (except Chairman of the Audit Committee) should be addressed to the Chairman of the Audit committee.
  - c) Any Protected Disclosure against the Chairman of the Audit Committee should be addressed to the Vigilance and Ethics Officer of the Company.
  - d) On receipt of the Protected Disclosure, the Vigilance and Ethics Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the Whistle Blower whether he was the person who made the Protected Disclosure or not. The record will include:
    - Brief facts;
    - Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
    - Details of actions taken by Vigilance and Ethics Officer / Chairman of the Audit Committee for processing the said complaint;
    - Findings of the Audit Committee on the said complaint;
    - The recommendations of the Audit Committee / other action(s) on said complaint.
  - e) The Audit Committee, if it deems fit, may call for further information or particulars from the Whistle Blower.



f) The details of the Vigilance and Ethics Officer and the Chairman of the Audit Committee are as under:-

- **Name and address of Vigilance and Ethics Officer –**

**Mr. Vikram Patel**

Chief Financial Officer

Texel Industries Limited

Block No. 2106, Santej-Khatraj Road,

Nr. Shah Alloys Ltd., Village: Santej, Tal: Kalol,

Dist: Gandhinagar -382721, Gujarat

Email- [vikram@geotexelin.com](mailto:vikram@geotexelin.com)

- **Name and address of the Chairman of the Audit Committee –**

**Mr. Kirit Mehta**

23, Priyadarshini,

Friends Co-Op. Housing Society,

N.S. 6<sup>th</sup> Road, JVPD Scheme, Vile Parle(W),

Mumbai-400056

Email- [kiritnmehta@gpkapadia.com](mailto:kiritnmehta@gpkapadia.com)

## **8. INVESTIGATION:**

- a) All Protected Disclosures under this policy will be recorded and thoroughly investigated by the Vigilance and Ethics Officer / Chairman of the Audit Committee of the Company who will investigate/oversee the investigations under the authorization of the Audit Committee and may at its discretion consider involving any other Officer(s)/Employee(s) of the Company and/or an outside agency for the purpose of investigation.
- b) The decision to conduct an investigation is by itself and not an accusation and is to be treated as a neutral fact finding process.
- c) 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.
- d) Subject(s) shall have a duty to co-operate with the Vigilance & Ethics Officer / Chairman of the Audit Committee or any of the Officer(s) / Employee(s) or an outside agency appointed by them in this regard.
- e) Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators / Chairman of the Audit Committee.

- f) Subject(s) have a right to be heard and the Vigilance and Ethics Officer / Chairman of the Audit Committee must give adequate time and opportunity for the subject to communicate his/her says in the matter.
- g) 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).
- h) 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.
- i) Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject(s) should be consulted as to whether public disclosure of the investigation results would be in the best interest of the subject(s) and the Company.
- j) The Vigilance and Ethics Officer / Chairman of the Audit Committee shall complete the investigation normally within 90 days of the receipt of the Protected Disclosure which period is extendable by such period as the Audit Committee deems fit.

**9. INVESTIGATORS:**

- a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b) Technical and other resources may be drawn upon as necessary to augment the investigation. All investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of legal and professional standards.

**10. DECISION:**

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject(s) as a result of the findings of an investigation pursuant to this Policy, shall adhere to the applicable disciplinary procedures.

## **11. REPORTING:**

The Vigilance and Ethics Officer shall submit a report to the Audit Committee on half-yearly basis about all Protected Disclosures referred to him since the last report together with the results of investigations, if any.

## **12. SECRECY / CONFIDENTIALITY:**

The Whistle Blower, Vigilance and Ethics Officer, Chairman of Audit committee, the subject(s) 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 on need to know basis;
- not discuss the matter in any informal / social gathering / meetings;
  
- not keep the papers unattended anywhere at any time;
- keep the electronic mails / files under password.

## **13. PROTECTION:**

- a) 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(s) against any unfair practice, retaliation, disciplinary action, transfer, refusal of promotion or adverse action(s) like discharge, termination of service, demotion, suspension of service, threatening, harassment, discrimination against any employee or intimidation of termination or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties or functions including making further Protected Disclosure.
  
- b) 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.
  
- c) 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/her details public or disclosed his/her identity to any other office or authority. In the event of the identity of the Whistle Blower being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.

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

Provided however that the Whistle Blower, 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 such by the Vigilance and Ethics Officer / Chairman of the Audit Committee, shall be viewed seriously and the Whistle Blower shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect the said employee from an adverse action taken independent of his/her disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

- e) A Whistle Blower may report any violations of the above clause to the Vigilance and Ethics Officer / Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

**14. ACCESS TO 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.

**15. COMMUNICATION:**

The Whistle Blower Policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through email or otherwise.

**16. 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 4 (Four) years or such other period as specified by any other law in force, whichever is more.

**17. AMENDMENT:**

The Board of Directors with the concurrence of the Audit Committed 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 unless the same is notified to the Employees in writing via email or otherwise.

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