

VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. PREFACE

Yarn Syndicate Limited (herein after referred as “the Company”) being listed company requires to establish a vigil mechanism for directors and employees to report the genuine concerns as per the provisions of the section 177 of the Companies Act, 2013 in such manner as may be prescribed.

SEBI (LODR) Regulations 2015 also provides a mandatory requirement for all listed companies to devise an effective whistle blower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company’s code of conduct or ethics policy.

The company has adopted a Code of Conduct (“the Code”) for directors and senior management, which lays down the principles and standards that should govern the action of the company and its employees.

2. OBJECTIVE OF THE POLICY

The purpose and objective of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects the employees wishing to raise a concern about serious irregularities within the Company.

To maintain the standards and objectives mentioned above, the Company encourages its directors and employees who have genuine 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 Chairperson of the Audit Committee in exceptional cases.

This policy, however, 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.

3. 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 the 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. This Policy is intended to encourage and enable employees to raise serious concerns within the Company prior to seeking resolution outside the Company.

4. DEFINITIONS

“**Audit Committee**” means a Committee constituted by the Board of Directors of the Company in accordance with guidelines of Listing Agreement and Companies Act, 2013.

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

“**Company**” means Yarn Syndicate Limited and all its offices.

“**Code**” means Code of Conduct for Directors and Senior Management adopted by Yarn Syndicate Limited.

“**Employee**” means all the present employees and Directors of the Company (Whether working in India or abroad).

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

“**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.

5. REPORTING OF PROTECTED DISCLOSURES

All employees of the company are eligible to make protected disclosures under the policy in relation to matters concerning the company. The Company does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing. This Policy ensures that employees are empowered to pro-actively bring to light such instances without fear of reprisal, discrimination or adverse employment consequences.

This Policy is not, however, intended to question financial or business decisions taken by the Company that are not Protected Disclosures nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. This policy shall not be used:

- i. For raising grievances related to employees' own career / other personal grievances.
- ii. For raising grievances related to career of other employees / colleagues.
- iii. Grievances arising out of the policies / procedures of the Company and any decision taken by the superior / management in this respect.
- iv. Grievances related to such other similar issues like i, ii and iii hereinabove.

All Protected Disclosures should be reported in writing 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.

Employees can lodge a Protected Disclosure in one of the following ways:

- I. . By sending letter in a closed and secured envelop and super scribed as “Protected Disclosure under the Whistle Blower Policy” Letter should either be typed or written in a legible handwriting in English or Hindi.

All Protected Disclosures should be addressed to the Chairman of the Audit Committee

6. AMENDMENT TO THIS POLICY

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.