

WHISTLE BLOWER POLICY

PREFACE

As per Clause 49 of the Listing Agreement of the Company, the Company should 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.

Our Company believes in the conduct of the affairs in a fair and transparent manner. To build and strengthen a culture of transparency and trust, the Company will maintain a workplace that facilitates the reporting of potential violations of Company policies and applicable laws. Employees must be able to raise concerns regarding such potential violations easily and free of any fear of retaliation. That is the purpose of this policy (the “Policy” or the “Whistleblower Policy”).

EXTRACT OF CLAUSE 49 (F) V OF THE EQUITY LISTING AGREEMENT

1. The company shall establish a vigil 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.
2. This mechanism should also provide for adequate safeguards against victimization of director(s) /employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
3. The details of establishment of such mechanism shall be disclosed by the company on its website and in the Board’s report.

APPLICABILITY

This policy is applicable to all Directors and employees. This policy encourages all the Whistle Blowers to report any kind of misuse of company’s properties, mismanagement or wrongful conduct prevailing/executed in the company, which the whistleblower in good faith, believes, evidences any of the following:

- Corruption, bribery, theft, fraud, coercion, willful omission etc.,
- Non-compliance of legal and regulatory requirements.
- Procurement frauds.
- Mismanagement, Gross wastage or misappropriation of company funds/assets.
- Manipulation of Company data/records
- Misappropriating cash/company assets, leaking confidential or proprietary information.
- Unofficial use of Company’s property/human assets.

- Activities violating Company policies. (Including Code of Conduct)
- Fraudulent financial accounting, auditing and reporting.
- An act of discrimination or sexual harassment.
- Any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company.

HOW TO REPORT

A report of all suspected violations shall be forwarded to Mr.P.Rajasekaran, Compliance Officer, by sending an e-mail to: tmsml@ymail.com or by sending a letter to Mr.P.Rajasekaran, Compliance Officer, M/s Thambbi Modern Spinning Mills Limited, Omalur Road, Jagir Ammapalayam, Salem – 636302.

If you have reason to believe that the above said Mr.P.Rajasekaran, Compliance Officer is involved in the suspected violation, your report may be made to the Audit Committee of M/s Thambbi Modern Spinning Mills Limited (the “Audit Committee”) at: The Chairperson, Audit Committee, M/s Thambbi Modern Spinning Mills Limited, Omalur Road, Jagir Ammapalayam, Salem – 636302.

INVESTIGATION

- All the complaints received under this policy shall be forwarded to the chairman of the Audit Committee in a confidential manner.
- The Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself 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 person against whom a complaint has been made (hereinafter referred as “Subject”) and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower.

Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.

- Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

DECISION

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

CONFIDENTIALITY

The Whistle Blower, Subject, Audit Committee Chairman and every internal and external stakeholder involved in the process shall:

- Maintain complete confidentiality/ secrecy of the matter
- Not discuss the matter in any informal/social gatherings/ meetings
- Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- Not keep the papers unattended anywhere at any time
- 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 by the Audit Committee Chairman.

PROTECTION AGAINST VICTIMIZATION

No one may take any adverse action against any employee for complaining about, reporting or participating or assisting in the investigation of, a reasonably suspected violation of any law, this Policy, or the Company's Code of Conduct and Ethics. The Company takes reports of such retaliation seriously. Incidents of retaliation against any employee reporting a violation or participating in the investigation of a reasonably suspected violation will result in appropriate disciplinary action against anyone responsible, including possible termination of employment. Those working for or with the Company who engage in retaliation against reporting employees may also be subject to civil, criminal and administrative penalties

RETENTION OF DOCUMENTS

All Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

PRECAUTIONS

It may be noted that an individual who knowingly makes frivolous, misleading or false complaints, or without a reasonable belief of the complaint, will not be protected by this Policy. This will also apply to those individuals, who make false statements or give false evidence during the investigations.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time.

Contact us:

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