

## **Whistle Blower Policy**

The objective of a Whistle Blower mechanism is to provide an avenue to address concerns, in line with the policy of Modenik Lifestyle Private Limited (Formerly known as Dixcy Textiles Private Limited) (hereinafter referred to as “the Company”) to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, as well as timely redressal of concerns and disclosures to build and strengthen a culture of transparency and trust in the Company.

Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism –

- a) Every listed company.
- b) Every other company which accepts deposits from the public.
- c) Every company, which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

The Company has adopted a Code of Business Conduct (“the Code”), which lays down the principles and standards that governs the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees who avail of such mechanism and make provisions for direct access to the Chairperson of Audit Committee in exceptional cases.

### **Definitions:**

The terms not defined herein below shall have the meaning assigned to them under the Act.

- a) **“Audit Committee”** means Audit Committee of Directors of the Company constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act 2013.
- b) **“Appropriate Action”** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of a fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- c) **“Code”** means Code of Business Conduct adopted by the Company.
- d) **“Company”** means Modenik Lifestyle Private Limited (Formerly known as Dixcy Textiles Private Limited)
- e) **“Employee”** means every employee of the Company, including the Directors in the employment of the Company.
- f) **“Good Faith”** means an Employee or Stakeholder shall be deemed to be communicating in “good faith”, if there is a reasonable basis for communication of unethical and improper

practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the Employee or Stakeholder does not have personal knowledge on factual basis for the communication or where the Employee or Stakeholder knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

- g) **“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, actual or suspected fraud.
- h) **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- i) **“Whistle Blower”** means an Employee, Director or Stakeholder making a Protected Disclosure under this Policy.
- j) **“Ethics Officer”** means an officer nominated/ appointed by the Audit Committee.

### **Eligibility**

All Employees, Directors and Stakeholders of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures should be in relation to matters concerning the Company.

### **Scope**

- a. This Policy is an extension of Modenik’s Code of Business Conduct (“CoBC”). The Whistleblower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Ethics Officer/ Chairman of the Audit Committee, in exceptional cases.

### **Disclosure**

The following issues having adverse impact on business and organizational values can be brought to the notice of Ethics Officer:

- Integrity violation
- Financial irregularities including questionable accounting or auditing matters, fraud or suspected fraud, or deliberate error in preparation of financial statements or misrepresentation of financial reports, bribery, corruption
- Manipulation of company data/ records
- Misappropriation of Company’s funds/ assets
- Deliberate violation of the law/ rules/ regulation
- Unethical acts/ issues

- Serious Process malfunctioning
- Harassment or victimization of individuals or a group

This Policy is not, however, intended to question financial or business decision taken by the Company that are not reportable matters nor should it be used to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. Further, this Policy is not intended to cover career related or other personal grievances.

### **Guiding Principles**

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

- a. ensure that the Whistle Blower and/or the Ethics Officer is not victimized for doing so.
- b. treat victimization as a serious matter, including initiating appropriate action on such person/s.
- c. ensure complete confidentiality.
- d. not attempt to conceal evidence of the Protected Disclosure.
- e. take appropriate action if anyone destroys or conceals evidence of the Protected Disclosure made / to be made.
- f. provide an opportunity of being heard to the person involved especially to the Subject.

### **Procedure**

- a. All Protected Disclosures should be addressed to the Ethics Officer by the Whistle Blower for investigation through letter or email. The contact details of the Ethics Officer are as under:

Sanchayan Paul Ethics Officer Modenik Lifestyle Private Limited Address: 28, 36/5, Ferns Icon, 4 <sup>th</sup> Floor, Doddanekundi, Marathahalli Outer Ring Road, Bangalore North, KA 560037 Email: <a href="mailto:sanchayan.paul@modenik.in">sanchayan.paul@modenik.in</a>
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- b. If any Employee other than the Ethics Officer receives a Protected Disclosure, the same should be forwarded to the Ethics Officer for further appropriate action. The Employee forwarding such Protected Disclosure must take appropriate care so that the identity of the Whistle Blower is not divulged in the process.
- c. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- d. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected Disclosure under the Whistle Blower Policy”. The same can also be sent through email with the subject “Protected Disclosure under the Whistle Blower Policy”.

- e. Protected Disclosures should be factual. They should not be 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 and the urgency of a preliminary investigative procedure. The Whistle Blower must provide all corroborating evidence as is available to the extent possible, at the earliest, preferably within 30 days of the occurrence of the event.
- f. The Whistle Blower may disclose his/her identity in the covering letter forwarding such Protected Disclosure. Protected Disclosures can also be expressed anonymously. To protect the identity of the Whistle Blower, the Ethics Officer will not issue any acknowledgement to the complainant.
- g. If the report of the initial enquiries indicate that the concern has no basis, or it is not a matter for investigation or does not fall under this Policy, it may be dismissed at this stage and the decision shall be documented and communicated to the Whistle Blower. During investigation, if it is found that the complaint is sent with malicious intent, then the Ethics Officer will take appropriate disciplinary action against the Whistle Blower.
- h. However, if the initial enquiries indicate that further investigation is necessary, the Ethics Officer may take the help of any external investigators to facilitate the investigation process.

**Protected Disclosures concerning the Ethics Officer**

All Protected Disclosures made by the Employee, Director or Stakeholder where the Subject is the Ethics Officer shall be made to the Audit Committee and the provisions of this Policy shall apply mutates-mutandis to the Audit Committee instead of the Ethics Officer. All Protected Disclosures concerning the Ethics Officer shall be address to:

Chairperson – Audit Committee  
 Modenik Lifestyle Private Limited  
 Address: 28, 36/5, Ferns Icon, 4th Floor, Doddanekundi,  
 Marathahalli Outer Ring Road, Bangalore North, KA 560037

**Investigation**

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Officer of the Company who will investigate/oversee the investigations under the authorization of the Audit Committee. The Ethics Officer may at its discretion, consider the involvement of any investigators for the purpose of investigation and appoint the same.
- b) The decision to conduct an investigation is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- c) The identity of a Subject will be kept confidential to the extent possible given legitimate requirements of law and the investigation.
- d) Unless there are compelling reasons not to do so, Subjects will be given reasonable opportunity for providing their inputs during the investigation. No allegation of wrongdoing

against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

- e) Subject shall duly co-operate with the Ethics Officer 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.
- f) Subject shall have a right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings. This may involve representation including legal representation. Subject shall be free to engage counsel at their own cost to represent them in the investigation proceedings.
- g) The Subject shall 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. If he/she is found indulging in any such actions, it will make him/her liable for appropriate actions.
- h) The Subject has a right to be informed of the outcome of the investigation.
- i) The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure or as soon thereafter as may be possible.

### **Confidentiality**

1. The Whistleblower, Ethics Officer, Members of Audit Committee, the Subject 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.
  - Not to keep the papers unattended anywhere at any time
  - Keep the electronic mails / files under password.
2. Any reports of the Ethics Officer shall be prepared in a manner that will preserve the right to confidentiality of the persons who have brought matters to the attention of, or provided information to, the Ethics Officer. Details of specific cases may be disclosed only with the concurrence of such persons.

### **Disqualifications**

- a. 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.
- b. 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.

## **Protection**

- No unfair treatment will be meted out to an employee by virtue of his/her having reported a disclosure under this policy. As a Policy, the Company condemns any kind of discrimination, harassment, victimization, or any other unfair employment practice against the Whistle Blower.
- Complete protection will be given to the Whistle Blower against any unfair employment practice like retaliation, threat, or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal to promotion or the alike including any direct or indirect use of authority to obstruct his/her right to continue or perform duties.
- The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- Any other employee or stakeholder assisting in the said investigation shall also be protected to the same as extent as the Whistle Blower.
- While Management is determined to give appropriate protection to the genuine Whistle Blower, the employees and stakeholders at the same time are advised to refrain from using the facility for furthering their own personal interest. If proved, such intention and action will warrant appropriate action,

## **Investigators**

- a. Investigators are required to conduct a process towards factfinding analysis related to alleged unethical activities. Investigators shall derive their authority and access rights from the Ethics Officer when acting within the course and scope of their investigation.
- b. Formal investigations will be launched only after a preliminary review by the Ethics Officer.
- c. The Investigator shall finalise and submit the report to the Ethics Officer normally within 30 days of the receipt of the request for investigation.

## **Decision**

If an investigation leads the Ethics Officer to conclude that an improper, illegal or unethical act has been committed, the Ethics Officer shall recommend to the management of the Company to take such disciplinary or corrective action as they may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject because of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

## **Reporting**

- The Ethics Officer shall submit a report to the Chairman of the Audit Committee on quarterly basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- Depending upon the seriousness or the gravity of the matter, the Ethics Officer may refer the matter to the Audit Committee to carry out the investigation. On completion of investigation, the Audit Committee shall recommend to the management to take such disciplinary or corrective action as the management may deem fit.

**Amendment**

The Company reserves the 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 or Stakeholder unless the same is notified to them.

**Review**

The Audit Committee shall review the functioning of the mechanism under this Policy.

**Disclosure of the Policy**

A Whistle Blower Policy cannot be effective unless it is properly communicated to employees. This Policy should be published on the website of the Company and details of establishment of Vigil Mechanism shall be disclosed in the Board's Report of the Company.

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