
WHISTLE BLOWER POLICY

DEREWALA INDUSTRIES LIMITED

In accordance with Section 177(9) of the
Companies Act, 2013 read with Rule 7 of
Companies (Meeting of Board & its
Powers) Rules, 2014

1. Preface

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, every listed company or a company which accept deposits from the public or companies which have borrowed money from banks and public financial institutions in excess of fifty crores rupees, shall establish a vigil mechanism for their directors and employees to report genuine concerns or grievances.

Your Company always believes to conduct its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. In continuance of this and in line with provisions of section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board & its Powers) Rules, 2014, your Company formulate a Vigil Mechanism for the employees(including on payroll and contractual) and Directors of the Company to report to the management about any instances of unethical behavior, actual or suspected fraud or violation of the Company's General Guidelines or code of conduct, improper activities or alleged wrongful conduct.

2. Policy Objectives

2.1. A Vigil mechanism called as Whistle Blower Policy provides a channel to the employees and Directors to report to the management, their concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy of the Company. The said mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

2.2. This mechanism 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 Mechanism:

This mechanism is formulated to provide an opportunity and an avenue to the employees to raise their concerns and access with Audit Committee about any instances of unethical behavior, actual or suspected fraud or violation of the Company's general guidelines or code of conduct and to further provide necessary safeguards for protection of Whistle Blower/employees from reprisals or victimization for whistle blowing/vigilance in good faith. The role of employees in pointing out violation of the guidelines is of vital importance.

4. Definitions

4.1 **“Alleged Wrongful Conduct”** means violation of law, infringement of Company’s Code of Conduct or ethics, policies, mismanagement, misappropriation of monies, corrupt practices, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

4.2 **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 & rules framed thereunder.

4.3 **“Company”** means Derewala Industries Limited and all its Branches/Zones, if any.

4.4 **“Employee”** means every employee including contractual employees of the company, including the whole time directors.

4.5 **“Nodal Officer”** means an officer of the Company nominated by the company 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.

4.6 **“Investigator”** means those persons authorized, appointed, consulted or approached by chairman of the Audit Committee and include the auditors of the Company and Police;

4.7. **“Protected Disclosure”** means a concern rose by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity with respect to the Company. However, the Protected Disclosures 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.

4.8 **“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;

4.9 **“Whistle Blower”** means an employee or group of employees of the Company who discloses in good faith any unethical and improper practices or alleged wrongful conduct to the Nodal Officer/Managing Director and in exceptional cases to the Audit Committee in writing. The Whistle Blower’s role is as a reporting party, he/she is not an investigator. Although the Whistle Blower is not expected to prove the truth of an allegation, he needs to demonstrate to the Audit Committee, that there are sufficient grounds for concern.

5. Coverage of Policy

The policy encourages all the Whistle Blowers to voice all their genuine concerns which shall include but not limited to the following:

- Abuse of authority
- Breach of trust
- Breach of confidentiality.
- Any unlawful act, whether criminal (e.g. theft) or a breach of the civil law (e.g. slander or libel)
- Manipulation of Company data/records
- Breach of any Policy or Manual or Code adopted by the Company
- Financial irregularities, including fraud, or suspected fraud
- Deliberate violation of law/regulation
- Misappropriation of Company assets/funds;
- Accepting money or any such benefits or privilege from the customers or patrons for e.g. retailers, bankers, stockiest, distributors & freight forwarders.
- Any other unethical or improper conduct.

6. Receipt and Disposal of Protected Disclosures

6.1. Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible after he/she 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 the prescribed form i.e. attached to this policy.

6.2. 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”. If the complaint is not super scribed & closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

6.3. All Protected Disclosures should be addressed to the Nodal Officer of the Company. The contact detail of the Nodal Officer is as under:-

Address of Nodal Officer – Mr. Vikas Kumawat / Human Resource Department
Derewala Industries Limited, Jaipur

6.4. Protected Disclosure against the Nodal Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Managing Director and the Chairman of the Audit Committee are as under:

Name and Address of Managing Director – Mr. Yogendra Garg

Derewala Industries Limited, Jaipur

Name and Address of Chairman of Audit Committee- Mr. Jugal Kishore Garg,
Chairman of Audit Chairman,
Derewala Industries Limited, Jaipur

6.5. It is up to Whistle Blower that whether he/she wants to disclose his/her identity or be anonymous to the nodal officer. However, it may sometimes be difficulties or even impossible to thoroughly investigate the disclosure that are made anonymously. The Whistle Blower is, therefore, strongly encouraged/ recommended to share his/her identity, while making the protected disclosure.

If the Whistle Blower chooses to disclose his or her identity to the Nodal Officer, the authenticity of the Whistle Blower's identity will be established by the Nodal Officer before considering the case for the purpose of investigation. This shall be done through the contact details provided by the Whistle Blower in the Protected Disclosure Form, while maintaining the confidentiality.

The Protected Disclosure made by the Whistle Blower must be genuine with adequate supporting data/proof. If it is established that the allegation was made with mala-fide intentions or was frivolous in nature, or was not genuine, the Whistle Blower shall be subject to Disciplinary Action.

In case of anonymous disclosure, Nodal Officer shall, at his end, examine the possible intention and genuineness of the disclosure in advance before going ahead with the investigation. In case Nodal officer suspects that the allegation has been made with mala-fide intention or is frivolous in nature, or is not genuine, he/she can decide to drop the case.

6.6 Whistle Blower must provide the background, history and reason for concern, together with names, date, places and as much information possible. For the purpose of proper & fair investigation all necessary details shall be captured by the Whistle Blower in a standard format namely, the PROTECTED DISCLOSURE FORM.

7. Investigation:

7.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Nodal Officer /Managing Director/ Chairman of the Audit Committee of the Company who will investigate/oversee the investigations under the authorization of the Audit Committee.

7.2 The Nodal Officer /Managing Director/ Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.

7.3 The decision to conduct an investigation taken by the Nodal Officer /Managing Director/ 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.

7.4 The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

7.5 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.

7.6 Subjects shall have a duty to co-operate with the Nodal Officer /Managing Director/ 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.

7.7 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.

7.8 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.

7.9 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.

7.10 The investigation may be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Secrecy / Confidentiality

8.1. The Whistle Blower, Nodal officer, Members of Audit committee, the Subject and everybody involved in the process shall:

8.1.1. Maintain confidentiality of all matters under this Policy

8.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

8.1.3. Not keep the papers unattended anywhere at any time

9. Protection:

9.1 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 Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. 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.

9.2 A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

9.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

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

10. Documentation & Reporting

10.1. On receipt of the protected disclosure the Nodal Officer / Managing Director / Chairman of the Audit Committee 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 before referring the matter to the Audit Committee of Company for further appropriate investigation and needful action. The record will include:

- Brief facts;
- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- Whether the same Protected Disclosure was raised previously on the same subject;
- Details of actions taken by nodal officer/ Managing Director for processing the complaint.
- Findings of the Audit Committee;
- The recommendations of the Audit Committee / other action(s).

11. Decision:

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

11.2. In case the subject is a nodal officer of the Company, the protected disclosure shall be addressed to the Managing Director who, after examining the protected disclosure shall forward the matter to the audit committee. The audit committee after providing an opportunity to the subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the Managing Director. After considering the report and recommendation as aforesaid, Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons.

11.3. In case the Subject is the Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

11.4. A Whistle Blower who makes false allegations of unethical & improper practices or about wrongful conduct of the subject to the nodal officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

12. Access to Chairman of the Audit Committee

12.1. The Whistle Blower shall have right to access 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.

13. Notification

13.1 All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. Every departmental head shall submit a certificate duly signed by him to the HR Department/Company Secretary that this policy was notified to each employees of his department. The new employees shall be informed about the policy by the Personnel department and statement in this regard should be periodically submitted to the Company Secretary. The details of establishment of this

mechanism as amended from time to time shall be disclosed by the company on its website, if any and in the Board's report.

14. Retention of Documents

14.1. All Protected disclosures documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

15. Annual Affirmation

15.1 The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action. The affirmation shall form part of Director Report as attached to the Annual Report of the Company.

16. Amendment

16.1 The Company 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.

PROTECTED DISCLOSURE FORM

Date:

To

Nodal Officer/Managing Director/Chairman of Audit Committee,
Derewala Industries Ltd

Name of Whistle Blower	
Designation & Department	
Employee Card No.	
Communication address with contact detail	
Subject which is reported	
Brief details of Protected Disclosure (attached additional sheet, if required)	
Evidence (enclose, if any)	
Others Information (if any)	

Signature