

DEEPAK INDUSTRIES LIMITED
VIGIL MECHANISM / WHISTLE BLOWER POLICY
(Amended w.e.f 01.04.2019)

1. POLICY:

This policy is formulated in line with the requirement as provided under section 177(9) of the Companies Act 2013 and pursuant to Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia to provide opportunity to employees / directors to access in good faith and/or to report genuine concerns, the Ombudsperson (in appropriate & exceptional cases the Audit Committee directly) in case they observe unethical or improper practices (not necessarily a violation of law) in the Company and to secure those concerns from unfair termination and unfair prejudicial employment practices.

2. APPLICABILITY:

This policy applies to all the employees and directors of the Company.

3. DEFINITIONS

3.1 “**The Company or This Company**” means “DEEPAK INDUSTRIES LIMITED”

3.2 “**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.

3.3 “**Audit Committee**” means a Committee which is constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.4 “**Director**” means a member of the Board of the Directors of the Company.

3.5 “**Code**” means Code of Conduct for Directors and Senior Management Personnel adopted by Deepak Industries Limited.

3.6 “**Employee**” means every person on permanent rolls of the Company at its various business locations.

3.7 “**Complainant**” is someone who makes a Protected Disclosure under this mechanism.

- 3.8 **“Protected Disclosure”** means a concern raised by a written communication and made in good faith that discloses or demonstrates information that may indicate evidence of unethical behavior, actual or suspected fraud or violation and improper activity. Protected Disclosures should be factual and not speculative in nature.
- 3.9 **“Mechanism or This Mechanism”** means, “Vigil Mechanism”.
- 3.10 **“Good Faith”** - An employee or a director communicates in “good faith” if there is a reasonable basis for the communication in writing of the existence of waste or of a violation or has observed unethical or improper practices. “Good Faith” is lacking when the employee or a director does not have personal knowledge of a factual basis for the communication or where the employee or the director knew or reasonably should have known that the communication about the unethical or improper practices is malicious, false or frivolous.
- 3.11 **“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.
- 3.12 **“Internal Circular”** is a communication made on behalf of the Company by an authorised person which is addressed to the employees or to the directors of the Company through any mode including but not restricted to email, fax, phone, notice board, inter office memo, etc.
- 3.13 **“Vigilance and Ethics Officer”** means an officer who is authorized, appointed or designated by the Audit Committee for the purpose of processing and investigating (to the extent of this policy) into the Protected disclosures and may include Auditors of the Company.
- 3.14 **“Right of Access or Right of Approach”** The right to an employee or to a director to give a written communication to the Vigil Officer or to the Audit Committee, as the case may be, for the alleged misconduct or unethical or improper practice which an employee or a director has observed or have found in the Company.
- 3.15 **“Unfair Termination and Unfair Prejudicial Employment Practices”** means to threaten, or otherwise discriminate or retaliate against an employee in any manner that effects the employee’s employment, including compensation, rights, immunities, promotions or privileges.

3.16 **“Unpublished Price Sensitive Information”**- Unpublished Price Sensitive Information or “UPSI” means any information, relating to the 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:-

- a) periodical financial results of the company;
- b) intended declaration of dividends (both interim and final);
- c) issue of securities or buy-back of securities;
- d) change in capital structure;
- e) any major expansion plans or execution of new projects;
- f) amalgamation, merger or take-over; acquisitions, delistings;
- g) disposal of the whole or substantial part of the undertaking;
- h) any significant changes in policies, plans or operations of the Company having material impact on the financials of the Company; and
- i) changes in Key Managerial Personnel;
- j) such other information as may materially affect the working of the Company;

3.17 **“Whistle Blower”** is director or an employee or group of employees who make a Protected Disclosure under this policy and also referred in this policy as complainant.

5. **SCOPE**

All Directors and Employees of the Company are eligible to make Protected Disclosures under the policy in relation to the matters concerning the Company.

The mechanism covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Instances of leak or suspected leak of Unpublished Price Sensitive Information
5. Manipulation of company data/records
6. 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

7. Any unlawful act whether Criminal/ Civil
8. Pilferation of confidential/propriety information
9. Deliberate violation of law
10. Wastage/misappropriation of company funds, property or manpower
11. A deliberate violation of any accounting principles, policies and regulations, reporting of fraudulent financial information to the shareholders, the government or the financial markets or any conduct that results in violation law, legal duties, code of conduct designed to protect the interest of employees / directors of the Company. However, this should not be merely technical or minimal in nature.
12. Breach of Company policy or failure to implement or comply with any approved Company policy.

EXCEPTIONS

- a) Any complaint or submission made under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 will be out of the scope of this policy.
- b) Any matter related to inter personal issues with colleagues, grievances against the Company with regard to service conditions, organizational policies, terms and conditions of employment, etc. would be reported through existing organizational channels and would not be covered under this mechanism.
- c) Reporting information which he / she does not have an authorization to access.
- d) Any matter / issue for which the Company has adopted separate Policy & procedure for redressal in line with applicable legislation.

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

- 6.1 All Protected Disclosures should be reported in writing by the Complainant/Whistle Blower, as soon as possible, after the Complainant/ 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.
- 6.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “**Protected Disclosures under the Whistle Blower Policy**”. Alternatively the same can also be sent through email with the subject “**Protected Disclosures under the Whistle Blower Policy**”. If the complaint is **not super scribed**

and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he/she will get in touch with the Complainant/ Whistle Blower.

6.3 Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.

6.4 The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee, as the case may be, shall detach the covering letter bearing the identity of the Complainant/Whistle Blower and process only the Protected Disclosure.

6.5 All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or in exceptional cases to the Chairman of the Audit Committee. The contact details are as under:-

- a. **The Company Secretary**
Vigilance and Ethics Officer, Vigil/Whistle Blower Policy
Deepak Industries Limited,
16, Hare Street,
Kolkata-700001; email: secretary@dil-india.com
- b. **The Chairperson**
Audit Committee
Deepak Industries Limited, 16, Hare Street,
Kolkata-700001

6.6 On receipt of the protected disclosures the Vigilance and Ethics Officer / Chairman / Chairman of the Audit Committee as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the company or an outside agency before referring the matter to the Audit committee of the company for further appropriate investigation and needful action. The records will include:

- a. Brief Facts;
- b. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;

- c. Whether the same Protected Disclosure was raised previously on the same subject;
 - d. Details of actions taken by Vigilance and Ethics Officer /Chairman / Chairman of Audit Committee for processing the complaint;
 - e. Findings of the Audit Committee;
 - f. The recommendations of the Audit Committee /other action(s).
- 6.7 The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

7. INVESTIGATION

- 7.1 All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the company and/or an outside agency for the purpose of investigation.
- 7.2 The decision to conduct an investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.
- 7.3 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.
- 7.4 Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 7.5 Subject(s) shall have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / and /or members of the Audit Committee and/or the Complainant/ Whistle Blower.
- 7.6 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).
- 7.7 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 or wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8 Subject(s) have a right to be informed of the outcome of the investigations. 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.

7.9 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

8. DECISION AND REPORTING

8.1 If an investigation leads the Vigilance and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer/Chairman of the Audit Committee shall recommend to the management of the company to take such disciplinary or corrective action as he 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 be adhere to by the subject.

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

8.3 In case the subject is the Chairman/CEO 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.

8.4 A Complainant/ Whistle Blower who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the company.

9. SECRACY / CONFIDENTIALITY

9.1 The Complainant/ Whistle Blower, Vigilance and Ethics Officer, Members of the Audit Committee the Subject and everybody involved in the process shall :

9.1.1. Maintain confidentiality in all matters under this Policy;

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

9.1.3. Not keep the papers unattended at any time.

9.1.4. Keep the electronic mails/files under password.

10. PROTECTION

10.1 No unfair treatment will be meted out to a Complainant/ 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 Complainant/ Whistle Blowers. Complete protection will, therefore, be given to Complainant/ 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 Complainant/ 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 Complainant/ 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 advise about the procedure etc.

10.2 A Complainant/ 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.

10.3 The identity of the Complainant/ Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the Complainant / Whistle Blower will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations.

10.4 Any other employee assisting in the said investigation shall also be protected to the same extent as the Complainant/ Whistle Blower. Provided however the Complainant/ Whistle Blower before making a complaint has reasonable belief that an issue exists and he has acted in good faith.

10.5 Any complaint not made in good faith as assessed as such by Audit Committee shall be viewed seriously and the Complainant/ Whistle Blower shall be subject to disciplinary action as per the rules/ certified standing orders of the company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Complainant/ 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.

12. COMMUNICATION

Directors/ Employees shall be informed of the policy by publishing on the Website of the company.

13. 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 7(seven) years or such other period as specified by any other law in force, whichever is more.

14. AMENDMENT

The company reserves its right to amend or modify this Policy in whole or in part, at any time in line with the requirements of the SEBI Guidelines or the Companies Act 2013 or any other rules, regulations etc. which may be applicable from time to time, without assigning any reason whatsoever. However no such amendment or modification will be binding on the employees and directors unless the same is not communicated in the manner described as above.

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