

EVEREST INDUSTRIES LIMITED

VIGIL MECHANISM POLICY

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## 1. INTRODUCTION

Everest Industries Limited (hereinafter referred to as “the Company”) is committed to the highest standards of openness, probity and accountability.

An important aspect of accountability and transparency is a mechanism to enable stakeholder of the Company to voice concerns in a responsible and effective manner. It is a fundamental term of every contract of employment with the Company that an employee will faithfully serve his or her employer and not disclose confidential information about the employer’s affairs.

Nevertheless, where an stakeholder discovers information which he/she believes shows serious malpractice, impropriety, abuse or wrongdoing within the organization then this information should be disclosed internally without fear of reprisal, and there should be arrangements to enable this to be done independently of line management (although in relatively minor instances the line manager would be the appropriate person to be informed).

The Company has therefore endorsed the provisions set out below to ensure that no stakeholder of the Company should feel at a disadvantage in raising legitimate concerns.

## 2. PREFACE

The Company is committed to developing a culture where it is safe for all stakeholder to raise genuine concerns or grievances.

- Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism
  - Every listed company;
  - Every other company which accepts deposits from the public;
  - Every company which has borrowed money from banks and public financial institutions more than Rs. 50 crores.
- Further, Regulation 4(2)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, *inter alia*, provides for a mandatory requirement for all listed companies to establish a mechanism called the ‘Whistleblower Mechanism’ for Directors, Employees and other Stakeholders to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy

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

The policy neither releases stakeholders from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

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### 3. SPIRIT OF THE POLICY

Employees are often the first to realize that there may be something seriously wrong within the Company. However, the Employees may be worried about raising such issues or may want to keep the concerns to himself/herself because he/she may consider that it is none of his/her business or that it is only a suspicion. He/she may also feel that raising the matter would be disloyal to his/her colleagues, managers or to the Company itself. Also, he/she may decide to say something but find that he/she has not spoken to the right person, or he/she has raised the issue in the wrong way and are not sure what to do next.

As is well known, the Company does not tolerate any malpractice, impropriety, abuse or wrongdoing and it now expects Stakeholders, who have concerns about what is happening at work to come forward and voice those concerns.

This policy has been introduced by the Company to enable Directors, Employees and other Stakeholders to raise their concerns about any malpractice, impropriety, abuse or wrongdoing at an early stage and in the right way, without fear of victimization, subsequent discrimination or disadvantage. The policy is intended to encourage and enable the stakeholder to raise concerns within the Company than overlooking a problem.

It should be emphasized that this policy is intended to assist Stakeholders who believe they have discovered malpractice, impropriety, abuse or wrongdoing. It is not designed to question financial or business decisions taken by the Company nor should it be used to reconsider any matters, which have already been addressed pursuant to disciplinary or other procedures of the Company.

### 4. DEFINITIONS

“Disciplinary Action” means any action that can be taken on the completion of or during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

“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.

“Stakeholder(s)” can be any person, organization, social group, or society at large that has a stake in the business. The coverage of stakeholders can include ownership and property interests, legal interests and obligations. Example of stakeholders are customers, suppliers, creditors, employees and directors.

“Subject” means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

“Whistle Blower” is someone who makes a Protected Disclosure under this Policy.

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“Whistle Officer” is an Officer who is nominated/appointed to conduct detailed investigation by Ombudsperson

“Ombudsperson” will be a Non-Executive Director for receiving all complaints under this Policy and ensuring appropriate action.

## 5. COVERAGE OF POLICY

The Policy covers malpractices and events which have taken place/ suspected to take place involving illustrative list as below:

- ✓ Abuse of authority
- ✓ Breach of contract
- ✓ Accuracy in record keeping/ financial reporting
- ✓ Financial irregularities, including fraud, or suspected fraud
- ✓ Acceptance of Gifts and expenses on entertainment
- ✓ Corruption and bribery
- ✓ Workplace practices
- ✓ Environment health and safety issues
- ✓ Criminal offence
- ✓ Competition
- ✓ Insider trading
- ✓ Pilferation of confidential/propriety information
- ✓ Deliberate violation of law/regulation
- ✓ Wastage/misappropriation of company funds/assets
- ✓ Theft
- ✓ Kickbacks
- ✓ Favors or discrimination
- ✓ Conflict of Interest
- ✓ Harassment
- ✓ Sexual Harassment
- ✓ Any other unethical, biased, favoured, imprudent event

Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

## 6. APPLICABILITY OF THE POLICY AND ITS EFFECTIVE DATE

This policy applies to all stakeholders of the Company including those employees who are on probation and becomes effective with effect from 25th January 2017.

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## 7. ASSURANCES UNDER THE POLICY

If the employee raises genuine concern under this policy, he/she will not be at risk of losing his/her job nor will he/she be suffering from any form of retribution as a result. If one is acting in good faith it does not matter if one is mistaken.

The Company will not tolerate any harassment or victimization (including informal pressures) of/against the disclosing Stakeholder and will take appropriate action to protect the Stakeholder when he raises a concern in good faith.

If the Stakeholder asks for protection of his/her identity, the Company will not disclose it without his/her consent. However, it is possible that the Company might be unable to resolve the raised concern without revealing the Stakeholder's identity (e.g. required for conducting an effective investigation or when evidence is needed in a Court). But if this occurs the Company will discuss with the Stakeholder as to how the Company and Stakeholder can proceed further in the matter and decide accordingly.

## 8. DISQUALIFICATIONS

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.

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.

## 9. POLICY AND PROCEDURE FOR DISCLOSURE, ENQUIRY AND DISCIPLINARY ACTION

a) What constitutes Malpractice, Impropriety, Abuse or Wrongdoing?

1. Malpractice, impropriety, abuse and wrongdoing (hereinafter referred to as "Concern") can include a whole variety of issues and some are listed below. However, this is not a comprehensive list but is intended to illustrate the sort of issues, which may be raised under this policy.
  2. Any unlawful act, whether criminal (e.g. theft) or a breach of the civil law (e.g. slander or libel).
  3. Breach of any Policy or Manual or Code adopted by the Company
  4. Health and safety risks, including risks to the public as well as other employees (e.g. faulty electrical equipment).
  5. Fraud and corruption (e.g. to solicit or receive any gift/reward as a bribe).
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6. Any instance of failure to comply with legal or statutory obligation either for and on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
7. Any instance of any sort of financial malpractice
8. Abuse of power (e.g. bullying/harassment).

b) How to disclose a Concern?

The Company will not expect the stakeholder to prove that his/her Concern is true.

It is perfectly acceptable for the stakeholder to discuss his/her Concern with a colleague and the stakeholder may find it more comforting to raise the matter if there are two (or more) stakeholders who share the same Concerns.

The Company offers a direct window to the Stakeholders to raise the concerns directly by using the toll free phone number, emails or fax number etc. By this facility, the Company wants to assure all its employees, directors and other Stakeholders that any concern pertaining to ethics shall be dealt with needful privacy and anonymity, will be completely independent of the Company and its officers, shall undergo an unbiased investigation and shall have a secured record.

The Company urges all its Stakeholders to use this facility without fear or hesitation and report any concern which is violating acceptable business practice or ethical standards of the Company.

Further, the Company urges any Stakeholder who is intending to make any disclosure of a Concern to disclose all relevant information regarding the Concern to ensure a meaningful and complete investigation can be conducted and can help in resolving the concern quickly.

c) To whom should a Concern be disclosed

The Concern should be disclosed through E-mail, Telephone, Fax or Post to the Independent Agency appointed by the Company, a secured, impartial and efficient reporting channel for whistle blowers. The mode of communication will be shared by the company via separate notifications.

Employees, Directors and other Stakeholders can make Protected Disclosure through any of the above modes, as soon as possible. Whistle Blower is expected to put his/her name to allegations.

The initial report on the matter reported to Independent Agency through E-mail, Telephone, Fax or Post shall be submitted to Ombudsperson or Whistle Officer designated by Ombudsperson for the said purpose.

If initial enquiries by the Ombudsperson on their own or based on report submitted by Independent Agency indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision is documented.

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d) Who will investigate into the Concern?

Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Whistle Officer/third party (External independent agency) nominated by the Ombudsperson for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.

Name of the Whistle Blower shall not be disclosed to the Whistle Officer.

e) Rules for Investigation and decision by the Ombudsperson

The Ombudsperson may frame and circulate such rules as Ombudsperson may deemed necessary to enable a fair conduct of inquiry and investigation as well as decision.

f) Procedure for handling the disclosed Concern

Once any disclosure of Concern has been made by an stakeholder, the Independent Agency to whom the disclosure has been made shall pursue the following steps:

- ✓ Obtain full details and clarifications of the complaint.
  - ✓ Make a detailed written record of the Protected Disclosure. The record will include:
    - ❖ Facts of the matter
    - ❖ Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
    - ❖ Whether any Protected Disclosure was raised previously against the same Subject;
    - ❖ The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
  - On the receipt of such report, Ombudsperson on their own or through the person designated shall carryout a primary inquiry into the facts and of the Concern so disclosed, briefly investigate into the allegation with or without the assistance the whistleblower or other appropriate officer, discretely.
  - Person designated by Ombudsperson shall prepare a detailed written report and submit the same to the Ombudsperson, as the case may be, not later than fifteen (15) days from the date of disclosure of Concern.
  - Ombudsperson or such designated person shall meet at regular interval to review each concern reported by the Independent Agency on its own merit. After reviewing each such case, Ombudsperson may further advise a detailed inquiry and investigation into the case through an external agency, as it deems fit.
  - The external agency shall carry out the investigation and submit their report no later than 60 days from the mandate of such investigation.
  - Whilst the purpose of this policy is to enable the Company to investigate concerns raised by the stakeholder and take appropriate steps to deal with it, the Company will give the stakeholder as much feedback as the Company can.
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- The Company may not be able to inform the stakeholder the precise action the Company takes where this would infringe a duty of confidence owed by the Company to someone else.
- The Company will take steps to minimize any difficulties, which the stakeholder may experience as a result of raising the Concern. Thus, if the stakeholder is required to give evidence in criminal or disciplinary proceedings the Company will arrange for the stakeholder to receive advice about the procedure etc.

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, s/he can make a direct appeal to the Chairman of Audit Committee.

g) Procedure to be pursued by the Ombudsperson

The Ombudsperson shall pursue the following steps:

- The Ombudsperson will, based on the findings in the written report submitted by the Independent Agency and after conduct of such further investigation as it may deem fit, come to a final decision in the matter not later than 30 days from the date of receipt of the written report.
- In case the Protected Disclosure is proved, accept the findings of the Whistle Officer, and take such Disciplinary Action as he may think fit and take preventive measures to avoid re-occurrence of the matter;
- The Ombudsperson shall submit a 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 investigations, if any.
- Depending upon the seriousness of the matter, Ombudsperson may refer the matter to the Audit committee with proposed disciplinary action/counter measures. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.

h) Anonymous Allegations

This policy encourages Stakeholder to put his/her name to any disclosures he/she makes. Concerns expressed anonymously are much less credible, but they may be considered for further action at the sole discretion of the Company.

The Company further reassures that the concerns so reported through the use of communication modes stated above shall be completely independent, secured and impartial.

In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the Concern raised
  - The credibility of the Concern
  - The likelihood of confirming the allegation from attributable sources
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i) Untrue Allegations

If the Stakeholder makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that Stakeholder. In making a disclosure the Stakeholder should exercise due care to ensure the accuracy of the information.

j) Maintaining confidentiality of the Concern as well as the disclosure

The Stakeholder making the disclosure of Concern as well as any of the persons to whom the Concern has been disclosed or any of the persons who will be investigating or deciding on the investigation as well as the person designated by Ombudsperson shall not make public the Concern disclosed except with the prior written permission of the Ombudsperson. However, this restriction shall not be applicable if any Stakeholder is called upon to disclose this issue by any judicial process and in accordance with the laws of land.

The Whistle Blower, the Subject, the Whistle Officer and every one 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.

k) Allegations against officer designated by Ombudsperson or Ombudsperson

In the event of any concern raised against Ombudsperson or any officer designated by Ombudsperson, written report shall be submitted to the Chairman of Audit Committee only, who will decide as to who should be entrusted with the responsibility of conducting the investigation and any conclusion reached by the chairman of Audit Committee shall be final and binding on all concerned.

l) Allegations against any member of audit committee

In the event of any concern raised against members of Audit Committee or if in the event where, any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

## 10.COMPLAINTS OF RETALIATION AS A RESULT OF DISCLOSURE

If an stakeholder believes that he or she has been retaliated against in the form of an adverse personnel action for disclosing Concern under this policy he/she may file a written complaint to the Chairman of Audit Committee requesting an appropriate remedy.

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For the purposes of this policy an adverse personnel action shall include a disciplinary suspension; a decision not to promote; a decision not to grant a salary increase; a decision not to hire; a termination; an involuntary demotion; rejection during probation; a performance evaluation in which the Stakeholder's performance is generally evaluated as unsatisfactory; an involuntary resignation; an involuntary retirement; an involuntary reassignment to a position with demonstrably less responsibility or status as compared to the one held prior to the reassignment; or an unfavorable change in the general terms and conditions of employment.

#### 11.MANAGEMENT ACTION ON FALSE DISCLOSURES

If a stakeholder knowingly makes false disclosures under this policy, such stakeholder shall be subject to disciplinary action on the terms deemed fit by the Ombudsperson.

#### 12.AMENDMENT

The policy can be modified only by the Board of Directors of the Company.

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