

VALUE INDUSTRIES LIMITED

WHISTLE BLOWER POLICY

BACKGROUND

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:

1. Every listed company;
2. Every other company which accepts deposits from the public; and
3. Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 Crores.

Further, the Clause 49 of the Listing Agreement entered between listed companies and the Indian Stock Exchanges has been recently amended which *inter – alia* provides a mandatory requirement for all the listed companies to establish a mechanism called “Whistle Blower Policy” for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company’s Code of Conduct.

The Company has already adopted a “Whistle Blower Policy”. The said Whistle Blower Policy has been amended to align it with the provisions of the Companies Act, 2013 and the provisions of the Listing Agreement. The Whistle Blower Policy, as amended, shall come into effect from 1st July, 2014.

PURPOSE

To provide for adequate safeguards against victimization of persons who use mechanism and make provision for direct access to the Chairperson of Audit Committee.

Accordingly, this “Whistle Blower Policy” (“this Policy” or “the Policy”) has been framed with a view to provide a mechanism for Directors/Employees of the Company to approach the Chairperson of the Audit Committee

APPLICABILITY

This Policy applies to all the Employees of Value Industries Limited (the “Company”) including the Directors in the whole-time employment of the Company.

SCOPE

This Policy encourages to report any kind of misuse of the Company's properties, mismanagement, wrongful conduct, which evidences any of the following:

- ◆ Procurement of frauds
- ◆ Manipulation of Company data/records
- ◆ Misappropriation of funds/assets of the Company
- ◆ Violation of any law or regulation, policies including but not limited to corruption, bribery, theft, fraud, etc.,
- ◆ Breach of contract
- ◆ Financial irregularities, including deliberate error in preparations of Financial Statements or misrepresentation of financial reports
- ◆ Any unlawful act, whether criminal/civil

The above list is illustrative and should not be considered as exhaustive.

DEFINITIONS

The definition of some of the key terms used in this Policy is reproduced hereunder:

1. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Section 177 of the Companies Act, 2013 (erstwhile Section 292A of the Companies Act, 1956) and read with Clause 49 of the Listing Agreement with the Indian Stock Exchanges.
2. "Code of Conduct" means code of conduct for the Directors and Senior Management of the Company.
3. "Company" means Value Industries Limited.
4. "Director" means a Director appointed on the Board of the Company.
5. "Employee" means every employee (including outsourced, temporary and on contract basis) including the Directors in the whole-time employment of the Company, whether working in India or abroad.

6. “Investigators” means the persons authorised, appointed, consulted or approached by the Chairperson of the Audit Committee.
7. “Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that evidences illegal or unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct or any improper activity. Protected Disclosure should be factual and not speculative in nature.
8. “Subject” means an individual or group of individuals against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
9. “Whistle Blower” means any employee or director making a Protected Disclosure under this Policy.

PROCEDURE

- The Protected Disclosure concerning the Company matters shall be addressed to the Chairman of the Audit Committee at the following address:

The Chairman – Audit Committee
Value Industries Limited
Fort House, 221, Dr. D. N. Road,
Fort, Mumbai 400 001
Email: whistleblower_value@videoconmail.com

- The Protected Disclosure should:
 - Be either typed or written in legible handwriting in English or Hindi or in the regional language of the place of employment of Whistle Blower.
 - Contain following details namely:
 1. Name, address and contact details of Whistle Blower.
 2. Brief description of the Malpractice, mentioning the names of those alleged to have committed the same.
 3. Be factual and not speculative in nature and should contain as much specific information as possible, to allow for proper assessment.

- The Protected Disclosure should be forwarded under a covering letter which may bear the identity of the Whistle Blower. The letter alongwith the disclosure shall be sealed in an envelope and addressed to the Chairperson of Audit Committee.
- Anonymous disclosures will also be entertained. However, it may not be possible to interview the Whistle Blower and grant him/her protection under the Policy.
- If a Protected Disclosure is received by any executive(s) of the Company other than the Chairperson of the Audit Committee, the same should be forwarded to the Chairperson of the Audit Committee for further appropriate action.
- The Chairperson of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation purposes.

ROLE AND RESPONSIBILITIES OF INVESTIGATORS

1. Investigators are required to conduct a process towards fact-finding and analysis. They shall derive their authority and access rights from the Chairperson of the Audit Committee when acting within the course and scope of their investigation.
2. Investigators shall conduct the enquiry in fair and unbiased manner.
3. Investigators shall ensure complete fact finding.
4. Investigators may appoint investigating officers/agencies (internal or external),if required.
5. Investigator may, depending on the nature of the Protected Disclosure, bring to the notice of Chairman & Managing Director of the Company and take appropriate action including reporting the matter to the appropriate authority.
6. Investigators shall maintain strict confidentiality.
7. Investigators shall decide on the outcome of the investigation.
8. Investigators shall recommend an appropriate course of action and appeal if any.

INVESTIGATION

The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Investigator for the purpose of such investigation shall do so. Individuals with whom the Investigator requests for an interview for the purpose of such investigation shall make themselves available for such interview at reasonable times and shall provide necessary co-operation for such purpose.

Though no time frame is being specified for such action, the Company will endeavor to act as promptly as possible during the investigation.

PROTECTION TO WHISTLE BLOWER

1. If any person raises a concern under this Policy, he/she will not be at a risk of suffering any form of reprisal or retaliation.
2. He/she will not be at the risk of losing his/her job or suffer loss in any other manner such as transfer, demotion, refusal of promotion, etc. or obstruct to perform his/her duties/functions, including making further Protected Disclosures under the Policy.
3. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
4. 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 protection is available provided that:

- a) The Protected Disclosure is made in good faith.
- b) He/she reasonably believes that information and allegations contained in it are substantially true.
- c) He/she is not acting for personal gain.

The protection under this Policy shall not mean protection from disciplinary action arising out of false or bogus allegations made by Whistle Blower(s) knowing it to be false or bogus or with a *mala fide* intention.

Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to be *mala fide* or *malicious* or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be baseless or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

RESPONSIBILITIES OF WHISTLE BLOWER

1. Bring to early attention of the Company any improper practice that they become aware of.
2. Avoid anonymity when raising a concern.
3. Follow the procedures prescribed in the Policy.

4. Co-operate with investigating authorities.
5. Maintain complete confidentiality.

DUTIES AND RIGHTS OF A SUBJECT

1. The identity of a Subject and the Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.
2. Subjects would normally be informed of the allegations at the outset of a formal investigation.
3. Subject shall have opportunities for providing inputs during the investigation.
4. Subject shall co-operate with the Investigators/Chairperson of Audit Committee during investigation.
5. Subject shall have a right to consult person or person of his/her choice, other than Chairperson of Audit Committee/Investigators/Whistle Blower.
6. Subject shall not interfere in the procedure of investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, threatened etc. by the Subject.
7. Subject will be given the opportunity to respond to material findings contained in the investigation report.
8. Subject shall have the right to be heard and shall be given adequate time and opportunity to communicate his/her say on the matter.
9. Subject shall have a right to be informed of the outcome of the investigation.

DECISION

If an investigation leads the Chairperson of Audit Committee to conclude that an illegal or unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or any improper activity has taken place/has been committed, Chairperson of the Audit Committee shall recommend to the Management of the Company to take such disciplinary or corrective action as the Chairperson of the Audit Committee may deem fit.

REPORTING

A report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee on regular basis.

RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented alongwith the results of investigation relating thereto shall be retained by the Company for a minimum period of 7 years.

AMENDMENT

The Company reserves its rights 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 would be binding on the Directors/Employees unless the same is notified to the Directors/Employees in writing.