

VIGIL MECHANISM / WHISTLE BLOWER POLICY

PREAMBLE

Section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement between listed companies and the stock exchanges (effective from 1st October 2014) requires every listed company to establish a vigil mechanism for directors and employees to report genuine concerns or instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("the Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

In compliance of the above requirements, Dhanada Corporation Limited, being a Listed Company proposes to establish a Whistle Blower Policy / Vigil Mechanism and to formulate a policy for the same.

DEFINITIONS

"Company" or "the Company" means Dhanada Corporation Limited.

"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 and read with revised Clause 49 of the Listing Agreement with the Stock Exchanges.

"Employee" means all the present employees of the Company, including the directors in the employment of the Company.

"Code" means Code of Conduct for Directors and Senior Management Personnel adopted by Dhanada Corporation Limited.

"Protected Disclosure" means a written communication of a concern made in good faith, which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It 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.

"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.

"Whistle Blower" means an employee or group of employees who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

“Vigilance, Whistle and Ethics Officer” means a person, nominated / appointed to receive protected disclosures from whistle blowers, to conduct detailed investigation, maintain records thereof, place the same before the Audit Committee for its disposal and inform the Whistle Blower the result thereof.

POLICY OBJECTIVES

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

The mechanism provides a channel to the employees and Directors to report to the management concerns or instances of unethical behavior, actual or suspected fraud or violation of Code of Conduct or Ethics Policy.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

SCOPE OF THE POLICY

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

The Policy 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 about a personal situation.

ELIGIBILITY

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

SCOPE

The Policy covers disclosure of any unethical and improper or malpractices and events which have taken place / suspected to take place involving:

- Breach of the Company's Code of Conduct
- Breach of Business Integrity and Ethics
- Breach of Contract
- Breach of terms and conditions of employment and rules thereof

- Intentional Financial irregularities, including fraud, or suspected fraud
- Deliberate violation of laws / regulations
- Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
- Manipulation of Company data / records
- Pilferation of confidential / propriety information
- Wastage / misappropriation of Company funds / assets
- Criminal offence

RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy" or sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance Officer are as under:

Name and Address: Ramesh R. Havele
'Dhanada', 16/6, Erandwana Hsg. Soc.,
Plot No. 8, Patwardhan Baug, Pune – 411004.

Email id: dhanada@dhanadacorp.com

The contact details of the Chairman of the Audit Committee are as under:

Name and Address: Dilip Arvind Prabhune
1103, Brahmanshai, Wai – 412803.

Email id: cmd@pmcpl.co.in

In order to protect the identity of the complainant, the Vigilance 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 Officer. The Vigilance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

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

On receipt of the protected disclosure, the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

INVESTIGATION

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself / herself or by involving any other Officer of the Company / an outside agency before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

Subject 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.

Subject shall have a duty to co-operate with the Vigilance Officer or Audit Committee or any of the Officers appointed in this regard.

Subject has a right to consult with a person or persons of their choice, other than the Vigilance Officer / Investigators and / or members of the Audit Committee and / or the Whistle Blower.

Subject has 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.

Unless there are compelling reasons not to do so, Subject will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

Subject has 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.

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.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his / her concern / interest forthwith and shall not deal with the matter.

CONFIDENTIALITY

The complainant, Vigilance 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 and keep the papers in safe custody.

PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his / her having reported a Protected Disclosure under this policy. Adequate safeguards against victimization of complainants shall be provided. Complete protection will, therefore, be given to Whistle Blower 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.

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.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

DECISION AND REPORTING

The Vigilance officer 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.

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

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.

If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

A complainant who makes false allegations of unethical and improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

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.

COMMUNICATION

A Whistle Blower policy cannot be effective unless it is properly communicated to employees. The policy should be published on the website of the Company.

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.

ADMINISTRATION AND REVIEW OF THE POLICY

A quarterly report about the functioning of the Whistle Blower Policy / Vigil Mechanism shall be placed before the Audit Committee. A quarterly status report on the total number of compliant received if any during the period with summary of the findings of Whistle Officer / Audit Committee and corrective steps taken should be send to the Chairman of the Company.

The Board of Directors shall be responsible for the administration, interpretation, application and review of this policy. The Board also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

AMENDMENT

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 not communicated to them. The amended policy should be published on the website of the Company.