EMPOWERING INVESTORS
A SEBI Initiative

DAULAT SECURITIES LIMITED

Member : National Stock Exchange of India Ltd. (NSE)
The Calcutta Stock Exchange Ltd. (CSE)
Depository Participant : National Securities Depositories Ltd. (NSDL)
CIN No. : L67120WB1992PLC056831

WHISTLE BLOWER POLICY

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PREFACE:

Daulat Securities Limited believes in conducting its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company as such vows to work against corruption in every way, including demand and acceptance of illegal gratification and abuse of official position with a view to obtain pecuniary advantage for self or any other person.

The company being a listed one requires to establish a vigil mechanism for directors and employees to report the genuine concerns as per the provisions of the section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in such manner as may be prescribed.

At Daulat Securities Limited, we are committed to maintaining the highest standards of integrity, transparency, and accountability in all our operations. We believe that fostering an open and honest work environment is essential to achieving these standards. To uphold our values and ensure compliance with legal and ethical requirements, we have implemented this Whistle Blower Policy.

This policy encourages all employees, contractors, volunteers, and stakeholders to report concerns about any unlawful, unethical, or improper conduct they may observe within the organization. We recognize that whistle blowers play a crucial role in identifying misconduct, and their willingness to come forward is essential to maintaining the trust of the public and our stakeholders.

The organization ensures that individuals who raise concerns in good faith will be protected from retaliation, and we are committed to investigating any allegations thoroughly and impartially. We believe that every person has a responsibility to contribute to a culture of honesty and openness, and we value the courage it takes to speak up.

By adopting this policy, we affirm our dedication to ethical business practices and to providing a safe and supportive environment where concerns can be raised and addressed appropriately.

DEFINITIONS:

"**Company**" means Daulat Securities Limited.

"**Employee**" means every employee whose name appears on rolls of the company (whether working in India or abroad) including the functional Directors of the Company.

"**Board**" means the Board of Directors of the Company.

"**Competent Authority**" means the Chairman & Managing Director of the Corporation and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case the subject person is Chairman & Managing Director, then Chairman, Audit Committee will be the Competent Authority.

"**Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Regulation 18 of the Listing Regulations and Section 177of the Companies Act, 2013.

"**Improper Activity**" means any activity by an employee of the Company that is undertaken in performance of his or her official duty, whether or not that act is within the scope of his or her employment, and that is in violation of any law or the rules of conduct applicable to the employee, including but not limited to abuse of authority, breach of contract, manipulation of company data, pilferage of confidential / proprietary information, criminal offence, corruption, bribery, theft, conversion or misuse of the Company's property, fraudulent claim, fraud or wilful omission to perform

the duty, or that is economically wasteful or involving gross misconduct, incompetence or gross inefficiency and any other unethical biased favoured or imprudent act including sexual harassment of women in work place and leakage of UPSI.

Activities which have no nexus to the working of the Company and are purely of personal nature are specifically excluded from the definition of Improper Activity.

"**Investigators**" mean those persons authorized, appointed, consulted or approached by the Chairman & Managing Director / Competent Authority in connection with conducting investigation into a protected disclosure and includes the Auditors of the Company.

"**Protected Disclosure**" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or "Improper Activity"

"**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**" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

PURPOSE OF THE POLICY:

The purpose of a **Whistle Blower Policy** is to encourage and protect employees or other stakeholders who report unethical, illegal, or improper conduct within an organization. Here are some key objectives of a whistle blower policy:

1. **Promote Accountability and Integrity**: It ensures that individuals can report violations like fraud, corruption, or abuse without fear of retaliation.
2. **Provide a Safe Reporting Mechanism**: The policy establishes secure and confidential channels for reporting misconduct.
3. **Encourage Ethical Behaviour**: It fosters a culture of transparency, ethics, and compliance with legal standards within the organization.
4. **Prevent Retaliation**: The policy explicitly protects whistle blowers from retaliation, such as dismissal, demotion, or harassment.
5. **Support Legal Compliance**: The policy helps organizations comply with laws and regulations that mandate reporting of wrongdoing, such as corporate governance rules.
6. **Detect and Address Misconduct Early**: By encouraging early reporting, the policy allows organizations to address potential issues before they escalate.

In essence, a whistle blower policy is designed to safeguard both the organization and its employees by promoting transparency and accountability.

COVERAGE OF THE POLICY:

All employees of the company are eligible to make "Protected Disclosures".

WHO IS A WHISTLE BLOWER?

A whistle blower is someone who exposes information or activity within an organization that is illegal, unethical, or not in the public interest. This could include reporting on fraud, corruption, safety violations, or other wrongdoing. Whistle blowers can be employees, contractors, or even external individuals who have insider knowledge of the misconduct. They often face significant risks, including retaliation from the organization they are exposing, so many whistle blowers are protected by laws and regulations that aim to shield them from retribution.

Any Employee or Director who discloses or demonstrates an evidence of an unethical activity or any conduct that may constitute breach of the Group's/Group Company's Code of Conduct or Group

Values. This whistle blower has come to the decision to make a disclosure or express a genuine concern /grievance/allegations, after a lot of thought.

PROTECTION OF WHISTLE BLOWER:

In India, whistle blower protection is governed by several laws and regulations aimed at safeguarding individuals who expose wrongdoing. Key aspects of whistle blower protection in India include:

1. **Whistle Blowers Protection Act, 2014**: This is the primary legislation designed to protect whistle blowers in India. It provides a framework for the protection of individuals who disclose information about corruption or illegal activities. Key provisions include:
    - **Protection Against Retaliation**: The Act prohibits any kind of retaliation or discrimination against whistle blowers. This includes protection against dismissal, demotion, or other adverse actions.
    - **Anonymous Complaints**: Whistle blowers can file complaints anonymously. However, the Act emphasizes the need for the complaint to be substantiated with evidence.
2. **Central Vigilance Commission (CVC)**: The CVC is an apex body responsible for overseeing and ensuring transparency in government institutions. The CVC has mechanisms for receiving and investigating complaints related to corruption and has a role in protecting whistle blowers who report such issues.
3. **Public Interest Disclosure (PID) Resolution**: This resolution outlines the procedures for filing complaints regarding corruption and misconduct in public sector enterprises. It provides for protection to whistle blowers who disclose information in the public interest.
4. **Grievance Redressal Mechanisms**: Various government departments and public sector enterprises have their own internal grievance redressal mechanisms to handle complaints and protect whistle blowers.
5. **Legal Recourse**: Whistle blowers who face retaliation can seek legal recourse under the Whistle Blowers Protection Act. They can approach the relevant authorities or courts to seek remedies such as reinstatement, compensation, or other relief measures.
6. **Confidentiality**: The Act mandates that the identity of whistle blowers be kept confidential, which helps in minimizing the risk of retaliation.

While these protections exist, the effectiveness of whistle blower protection in practice can vary. Whistle blowers in India may still face challenges such as bureaucratic hurdles or social stigma. Therefore, it is often advisable for individuals considering whistleblowing to seek legal counsel and support from organizations specializing in whistle blower advocacy.

GUIDING PRINCIPLES OF WHISTLE BLOWER POLICY:

Whistle blower policies are designed to encourage and protect individuals who report misconduct or illegal activities within an organization. Here are some guiding principles commonly found in effective whistle blower policies:

1. **Confidentiality**: Protecting the identity of the whistle blower is crucial. Policies should ensure that the whistle blower's identity is kept confidential, to the extent possible, to prevent retaliation and maintain their safety.
2. **Non-Retaliation**: The policy must clearly state that retaliation against whistle blowers is prohibited. This includes protection from dismissal, demotion, harassment, or any other adverse action taken as a result of their whistleblowing.
3. **Clear Reporting Channels**: Establish clear, accessible channels for reporting concerns. These channels should be designed to ensure that reports can be made easily and without fear, including options for anonymous reporting.
4. **Thorough Investigation**: All reported concerns should be investigated promptly and thoroughly. The policy should outline how investigations will be conducted and who will be responsible for them.

5. **Transparency**: While maintaining confidentiality, the policy should provide transparency about how whistle blower reports are handled, the process of investigation, and any actions taken in response.
6. **Support for Whistle blowers**: Provide support to whistle blowers, including legal and psychological support if needed. This can help mitigate the personal and professional risks associated with whistleblowing.
7. **Documentation and Record-Keeping**: Maintain detailed records of all reports, investigations, and outcomes. This documentation helps ensure accountability and can be important for legal or compliance purposes.
8. **Training and Awareness**: Regularly train employees and stakeholders on the whistle blower policy. Awareness programs can help ensure that everyone understands the reporting procedures and the protections available.
9. **Commitment to Ethical Standards**: The policy should reflect the organization's commitment to ethical behavior and compliance with legal and regulatory standards. This commitment should be evident in the organization's culture and leadership.
10. **Review and Improvement**: Regularly review and update the whistle blower policy to address any gaps, adapt to changes in regulations, and incorporate feedback from whistle blowers and other stakeholders.

By adhering to these principles, organizations can foster a culture of transparency and integrity, encouraging individuals to report concerns without fear of reprisal.

PROCEDURE FOR RAISING A COMPLAINT:

Raising a whistle blower complaint involves a structured process to ensure that concerns are reported, investigated, and addressed properly. Here's a detailed procedure for raising a whistle blower complaint:

- By writing to the concerned authority. The information about name of members of the Board and list of senior management personnel along with their e-mail id are available on the website of the company namely www.daulatsec.com
- By posting it to the company's address be at it the registered one or corporate.
- By writing to the Company Secretary at secretarialdept@daulatsec.com who is duty bound to share the complaint with the concerned authority.
- In exceptional cases, the complainant can directly report his/her complaint to the Chairperson of the Audit Committee at nsomany@yahoo.com

The Audit Committee, if deems fit, may call for further information or particulars from Vigilance and Ethics Officer or complainant, as the case may be.

INVESTIGATION

The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact-finding process. 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. He shall have a duty to co-operate with the Investigating Officer / the Chairman of the Audit Committee or any of the Officers appointed by it in this regard and shall be subject to strict disciplinary action up to and including immediate dismissal, if they fail to cooperate in an investigation, or deliberately provide false information during an investigation.

Subject(s) have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. He 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 him.

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

be informed of the outcome of the investigations. If allegations are not sustained, he should be consulted as to whether public disclosure of the investigation results would be in the best interest of him 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 Investigating Officer / Chairman of the Audit Committee deems fit.

All information disclosed during the course of the investigation will remain confidential, except as necessary or appropriate to conduct the investigation and for taking any remedial action, in accordance with any applicable laws and regulations. The Company reserves the right to refer to any concerns or complaints regarding Protected Disclosure to appropriate external regulatory authorities.

DISPOSAL:

If an investigation leads the Investigating Officer/ the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Investigating Officer/ the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action commensurate with the severity of the offence, as it may deem fit. The Investigating Officer/ the Chairman of the Audit Committee, as the case may be, shall forward his copy of the report/findings to the Chairman's Office.

It is the duty of the company to take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made. 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.

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

DOCUMENT RETENTION:

The Document Retention Policy for the Whistle Blower Policy mandates that all documents related to whistle blower reports, including submissions, investigation records, communications, final reports, actions taken, and confidentiality agreements, must be securely retained for a minimum of seven years from the date of the report or action. All documents should be stored to protect confidentiality and accessed only by authorized personnel. After the retention period, documents must be disposed of securely to ensure compliance with data protection regulations. This policy will be reviewed annually to align with legal requirements and organizational practices.

AMENDMENT OF THIS POLICY:

The company reserves the right to amend this policy at any time to reflect changes in legal requirements, organizational practices, or operational needs. Any amendments will be communicated to all employees, and updated versions of the policy will be made accessible through the company's internal resources. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing. Employees are encouraged to review the policy regularly to stay informed of any changes and their implications.