

Sparkle Gold Rock Limited

Whistle Blower Policy / Vigil Mechanism

1. PREFACE:

Sparkle Gold Rock Limited ('the Company') believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior to ensure that a robust vigil mechanism is in place. Towards this end, the Company has formulated a code of conduct for employees through various policies. The Company has also formulated a separate code of conduct for directors and senior management personnel.

The Whistle Blower Policy providing a mechanism to employee of the Company to report violation of personnel policies of the Company, unethical behavior, suspected or actual fraud, violation of code of conduct was already in place.

Pursuant to Section 177(9) of Companies Act, 2013, every listed Company shall establish a vigil mechanism for Directors and employees to report genuine concern or grievances. Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides for establishment of Vigil mechanism for Directors or employees or any other person for above mentioned matters. In the light of said provisions the Board has established Vigil Mechanism cum Whistle Blower Policy.

2. COVERAGE OF VIGIL MECHANISM POLICY:

The Vigil Mechanism Policy covers improper activities/practices which are indulged in by an employee or an outsider, whether in the performance of the official duties or otherwise, and whether or not that action is within the scope of his or her employment, and which activity or practice:

1. amounts to corruption, malfeasance, bribery, showing undue favor's, theft, fraudulent claims, fraud, coercion, malicious prosecution, misuse of Company's assets & resources, or willful omission to perform duty; or
2. is economically wasteful or involves gross improper or misconduct, incompetency, or inefficiency; or
3. may lead to incorrect financial reporting through deliberate distortion of facts / MIS, or
4. is not in line with or violates applicable company policies, Code of Conduct or laws, or
5. may amount to otherwise improper conduct or unethical behavior; professional misconduct or malpractice, or

6. may amount to Insider trading Or

7. may amount to sharing of confidential information.

All matters not covered under this mechanism can be reported directly to Department Head or Head of Human Resource Department.

3. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Audit Committee" means the Audit Committee of the Company constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

"Director" means Director of the Company.

"Employee" means every employee of the Company.

"Investigators" mean that person authorized, appointed, consulted or approached by Vigilance Officer or the Chairperson of Audit Committee 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/group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

"The Regulations" means applicable provisions of the Companies Act, 2013 read with the rules made under the Companies Act, 2013, Articles of Association, various corporate codes, regulations, policies, applicable guidelines - regulations from Securities and Exchange Board of India, Listing Regulation (as amended from time to time).

"Vigilance Officer" means a person who is HR Head or any other person as the Board may designate from time to time as Vigilance Officer.

"Whistle Blower" means Director or Employee making a Protected Disclosure under this Policy. They are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial action that may be warranted.

4. SCOPE

The policy is applicable to all the employees and Directors of Sparkle Gold Rock Limited [Hereinafter referred as "the Company"].

The Whistle Blower's role is that of a reporting party with reliable information. He/She is not required or expected to act as investigator or finder of facts, nor would he/she determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle Blower should not act on his/her own in conducting any investigative activities, nor does he/she has a right to participate in any investigative activities other than as requested by the Vigilance Officer/ Chairperson of Audit Committee or the Investigators.

This policy is also extended to the Customers, Vendors, Contractors and other Stakeholders of /in the Company.

5. ELIGIBILITY:

Any of the employees or Directors of the company (“individual”) is eligible to make Protected Disclosures under this Policy. Employees and Directors are encouraged to use this Policy for reporting all allegations of actual or suspected improper activities as listed in para 2 above (Coverage of Vigil Mechanism). However, individual employee grievances and complaints regarding their terms and conditions of employment are excluded from the scope of this Policy, and the same will continue to be reviewed under the applicable staff personnel policies/ HR Policy.

6. DISQUALIFICATIONS:

While it will be ensured that genuine Whistle Blower is accorded complete protection from any kind of unfair treatment, 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.

Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

In respect of repeated frivolous complaints/protected disclosure, as above, the Vigilance Officer/Chairperson of Audit Committee would reserve its right to recommend/take appropriate disciplinary action including reprimand against such Whistle Blowers.

7. PROCEDURE:

If an individual has reason to believe that he/she has become aware of an actual or suspected improper activity/practice as listed in para 2 above, a protected disclosure must be made to the immediate superior or the head of the Human Resource Department. If an

individual is not satisfied with their response or has reason to believe that both of these persons are involved in these matters, protected disclosure should be made to the Vigilance Officer. An individual can have direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases in line with Section 177 (10) of the Companies Act, 2013.

Following could be such exceptional cases (list is not exhaustive and subject to discretion of the Audit Committee to amend or include):

- Where the complaint is against any of the Directors, Senior Management (one level below Directors) or Key Management Personnel (KMPs).
- Where the stakes involved are significant and material from financial reporting point of view.
- Where there is threat to reputation of the Company or there is a breach of law.

All Protected Disclosures should be in a sealed envelope and addressed to Vigilance Officer at the following address:

Vigilance Officer
Sparkle Gold Rock Limited
At the Registered Office Address of the Company

Protected Disclosure against the Vigilance Officer or under exceptional cases should be addressed to the Chairperson of the Audit Committee. The Director in all cases & employee in appropriate or exceptional cases will have direct access to the Chairperson of the Audit Committee. The contact details of the Chairperson of the Audit Committee are as under:

Manuj Agarwal (Chairperson)
E-Mail: sjlalcd@gmail.com
Audit Committee
Sparkle Gold Rock Limited
At the Registered Office Address of the Company

Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower. Before reporting such events, the Director/employee has to ascertain that a violation has actually occurred and that the act or the omission is not based on what can be termed as a normal business decision.

Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment

of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Vigilance Officer / Chairperson of Audit Committee as it would not be possible for it to interview the Whistle Blowers.

8. INVESTIGATION:

The sender of the Protected Disclosure will be given acknowledgment of the receipt of the disclosure within five working days thanking him/her for initiative taken in upholding the Company's Code of Conduct.

On receipt of Protected Disclosure by Vigilance Officer, he / she shall /will decide whether the reported matter should be dealt with under this Policy. If he/she considers that the matter should be dealt with under a different procedure, he/she shall appropriately refer the matter to the concerned business or functional head as per the internal protocol for resolution of the issues raised.

He/She will normally consider the information received and decide whether there is a prima facie case for investigation. If yes, he/she may refer the matter for further investigation to:

- be Investigated internally by specially constituted committee or a specially constituted internal team of investigators with or without external help; or
- the External Auditors; or
- an external specialized agencies for an independent enquiry.

If the initial enquiry indicates that investigation is not required, issue shall be closed with intimation to the Whistle Blower.

The decision to conduct an investigation taken by the Vigilance Officer / Chairperson of Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

Subjects shall have a duty to co-operate with the Vigilance Officer/Chairperson of Audit Committee or any of the Investigators during investigation to the extent that such cooperation sought does not merely require them to admit guilt.

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

Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, couched, threatened or intimidated by the Subjects.

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

Subjects have a right to be informed of the outcome of the investigation. 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 Company.

The committee of officials / investigators shall complete the investigation within 45 (forty-five) days or within such extended period as may be granted by the Vigilance Officer/ Chairperson of Audit Committee, of the receipt of the Reported Disclosure and submit the report to the Vigilance Officer/Chairperson of the Audit Committee, as the case may be.

9. 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. The Company, as a policy, condemn any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower.

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. 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 advice about the procedure, etc.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blower is cautioned that his / her identity may become known for reasons outside the control of the Vigilance Officer/Chairperson of Audit Committee (e.g. during investigations carried out by Investigators).

Similarly, confidentiality of identity of the 'Subject' will be maintained within the same limitations.

Any other Director / Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

10. DECISION:

If an investigation leads the Vigilance Officer/Chairperson of Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer/Chairperson of Audit Committee shall recommend the Management of the Company to take such disciplinary or corrective action as the Vigilance Officer/Chairperson of Audit Committee deems fit.

11. REPORTING:

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

12. 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 eight years.

13. 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. The above shall form part of the present employment and other personnel policies of the Company and same shall be notified to the Employees in writing.

14. POLICY IS NOT A CONTRACT:

This Policy does not constitute a binding Contract between the Company on the one hand, and on the other its employees, investors, shareholders, lenders, other security holders, borrowers, investee entities, JV partners, customers, contractors, vendors, members of the general public etc. and any other person or entities who might claim to be a stakeholder in or constituent of the Company, and is therefore not enforceable in a court or other judicial

forum in any manner, whatsoever, against the Company, its Directors, officials or other employees.

15. This Policy is intended to comply with the Companies Act, 2013 and the SEBI Listing Regulation. Notwithstanding anything herein to the contrary, this Policy will be interpreted only in such manner so as to comply with the provisions of the Companies Act, 2013 and the SEBI Listing Regulation. Any word not defined in this Policy shall have the same meaning as defined under the Companies Act, 2013 and the SEBI Listing Regulation, including any amendments thereto. In case any word or provision as appearing in this Policy is contrary to the meaning or provision as provided under the Companies Act, 2013 or the SEBI Listing Regulation, then the meaning or provision as provided under the Companies Act, 2013 or the SEBI Listing Regulation shall prevail. This policy shall always be in conformity with the provisions of the Regulations and any amendments in the Regulations shall be deemed to form part of this Policy.