

AADI INDUSTRIES LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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1. Preface:

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.

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.

Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

In line with the above and in order to comply with the mandatory requirements of the above provisions, it is necessary to formulate a specific vigil mechanism/whistle blower policy for Aadi Industries Limited for use by its Directors, Officers and Employees.

2. Policy Objective:

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

A Whistle blower (Vigil) mechanism provide a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against the victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases.

This 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 against people in authority and / or colleagues in general.

3. DEFINITIONS:

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

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of Companies Act, 2013.

“Company” means the Aadi Industries Limited and all its offices.

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

“Employee” means every employee of the Company (whether working in India or abroad), including Directors in the employment of the Company.

“Investigator” means the person(s) authorized, appointed, consulted or approached by the Audit Committee and includes the Auditors of the Company and the Police.

“Protected Disclosure” means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative 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.

“Vigilance Officer” is the Chairman of Audit Committee.

“Whistle Blower” is a Director, Officer or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

4. Eligibility:

All Employees of the Company are eligible to make Protected Disclosures under the policy. The Protected Disclosures may be in relation to matters concerning the Company.

5. The Guiding Principles:

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- Ensure that the Whistle Blower and / or the person processing the protected Disclosure is not victimized for doing so,
- Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- Ensure Complete confidentiality.
- Not attempt to conceal evidence of the protected disclosure;
- Take disciplinary action, if any one destroys or conceals evidence of the protected disclosures made/ to be made;
- Provide an opportunity of being heard to the persons involved especially to the subject;

6. Scope of the Policy:

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

- Abuse of Authority
- Breach of contract
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of company data/records
- Financial irregularities, including fraud, or suspected fraud
- Criminal offence
- Pilferation of confidential/proprietary information
- Deliberate violation of laws/regulations
- Wastage/misappropriation of company funds/assets
- Breach of employee Code of Conduct or Rules

- Any other unethical, biased, favored, 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.

7. Disqualification:

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.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

8. Procedure:

All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.

In respect of all other Protected Disclosures, those concerning the all employees should be addressed to the Chairman of the Audit Committee.

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

Name: Mr. Rushabh Shah

Address: 320/7, Siddhivinayak Co-Operative Housing Society Hingwala Lane, Pant Nagar, Ghatkopar (East) Mumbai – 400075.

Mailid: aadi.industries@hotmail.com

Protected Disclosures should preferably 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 WhistleBlower.

The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

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.

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

9. Investigation:

All protected disclosures reported under this policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate under the authorization of the Audit Committee.

The Chairman of the Audit Committee may at his discretion, consider involving any investigators for the purpose of investigation.

The decision to conduct an investigation taken by the Chairman of the 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 and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

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.

Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

Subjects have a right to consult with a person or persons of their choice, other than the members of the Audit Committee and or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.

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, coached, 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 good 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 Subject and the Company.

The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure.

10. 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, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers 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.

Any Other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the WhistleBlower.

11. Confidentiality:

The Whistle Blower, the Subject, the Chairman of Audit Committee and everyone involved in the process shall:

- a. Maintain complete confidentiality/ secrecy of the matter.
- b. Not discuss the matter in any informal/ social gatherings/meeting.
- c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations.
- d. Not keep the papers unattended anywhere at any time.
- e. 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.

12. Reporting:

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

The Company shall annually affirm that it has provided protection to the complainant from unfair adverse personal action.

13. Communication:

A whistleblower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the web site of the company.

14. 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 minimum period of 5 (Five) years or such other period as specified by any other law in force, whichever is more.

15. 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 notified to the Employees in writing.