

VIGIL MECHANISM / WHISTLE BLOWER POLICY

PREAMBLE

Section 177 of the Companies Act, 2013 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.

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. Such a 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.

Effective October 1, 2014, Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, *inter alia*, provides for a mandatory requirement for all listed companies to establish a mechanism called „Whistle Blower Policy“ for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.

POLICY

In compliance of the above requirements, Advik Laboratories Ltd., (ALL), being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

POLICY OBJECTIVES

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

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

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.

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 about a personal situation.

DEFINITIONS

Definitions of some of the key terms used in this mechanism are given below:

- a. Protected disclosure: Any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company.

- b. Whistleblower: An individual who makes a protected disclosure under this mechanism. This could be an Employee, Director, Vendor, Supplier, Dealer and Consultant, including Auditors and Advocates of RCCL.
- c. Audit Committee: An audit committee is an operating committee formed by the Board of Directors in accordance with Section 177 of the Companies Act 2013 and charged with oversight of financial reporting and disclosure.
- d. Board of Directors: A body of elected or appointed members who jointly oversee the activities of the company.
- e. Code of Conduct: A set of rule outlining the responsibilities of or proper practices for an individual, party or organization. In this case, it refers to ALL's Code of Conduct for Employees and ALL's Code of Conduct for Senior Management and Directors.
- f. Vigilance Officer/Vigilance Committee: Vigilance Officer/Vigilance Committee is a person or Committee of persons, nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, charged with conducting investigations to ascertain the creditability of such whistleblower complaint and placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- g. Subject: means a person against whom, or in relation to whom a Protected Disclosure is made.
- h. "**Unethical practice**" means and includes, but not limited to, the following suspected activities/ fraudulent practices being followed in the Company:
 - i. Manipulation of Company data / records;
 - ii. Abuse of authority at any defined level in the Company;
 - iii. Disclosure of confidential / proprietary information to unauthorized personnel;
 - iv. Violation of applicable laws and regulations to the Company, thereby exposing the Company to penalties/ fines;
 - v. *Any instances of misappropriation of Company assets;*
 - vi. Activity violating any laid down Company policy, including the Code;
 - vii. Any other activities whether unethical or fraudulent in nature and injurious to the interests of the Company.

SCOPE

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:

1. Breach of the Company Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Wilful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets
10. Conflict of Interest
11. Insider Trading
12. Violation of human rights

13. Corruption and bribery
14. False expense reimbursements
15. Discrimination in any form

ELIGIBILITY

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

GUIDING PRINCIPLES OF THE VIGIL MECHANISM

To ensure effective implementation of vigil mechanism, the company shall:

- a. Ensure protection of the whistleblower against victimization for the disclosures made by him/her.
- b. Ensure complete confidentiality of the whistleblower identity and the information provided by him/her.
- c. Ensure that the protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.
- d. Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- e. Ensure whistleblower would not get involved in conducting any investigative activities other than as instructed or requested by Vigilance Officer or Chairman of the Audit Committee.
- f. Ensure the Subject or other involved persons in relation with the protected disclosure be given an opportunity to be heard.
- g. Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.

PROTECTION FOR WHISTLEBLOWER

- a. A whistleblower would be given the option to keep his/ her identity anonymous while reporting an incident to Vigilance Officer. The company will make no attempt to discover the identity of an anonymous whistleblower. If the whistleblower's identity becomes known during the course of the investigation, the Company will ensure that the identity of the whistleblower will be kept anonymous and confidential to the extent possible, unless required by any law or in legal proceedings.
- b. Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the whistleblower.
- c. The Audit Committee and the Vigilance Officer would safeguard the whistleblower from any adverse action. This includes discrimination, victimization, retaliation, demotion or adoption of any unfair employment practices.
- d. Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a whistleblower.
- e. A whistleblower may not be granted protection under this mechanism if he/she is subject of a separate complaint or allegations related to any misconduct.
- f. If a complainant believes that she or he has been treated adversely as a consequence of their use of the vigil mechanism can approach the Chairman of the Audit Committee of the Company in confidence.

PROCEDURE

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.

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer. 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/ Committee constituted for the same /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 and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

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

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.

DECISION AND REPORTING

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.

The Board of Directors will take disciplinary or corrective action against the Subject as per Company's disciplinary procedures and can also take legal action, if required. The decision of the Board of Directors should be considered as final and no challenge against the decision would be entertained, unless additional information becomes available.

A complainant who makes false allegations of unethical & 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.

CONFIDENTIALITY

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain complete confidentiality and secrecy of all matters under this Policy, The matter should not be discussed in social gatherings or with other individuals who are not involved in the review or investigation of the matter. The matter should be discussed only to the extent or with those persons as required under this policy for completing the process of investigations. The aforesaid persons and other individuals involved in the review or investigation process shall ensure to maintain complete confidentiality of documents reviewed during the investigation and shall keep the papers in safe custody. Disciplinary action may be initiated against anyone found not complying the above.

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 victimisation of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

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.

DISQUALIFICATIONS

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, shall be liable to be prosecuted.

In case the complainant is unable to provide adequate/specific information that covers at least some of the basic points i.e., location of incident, timing of incident, personnel involved, specific evidence, frequency of issues, etc., then the Audit Committee reserves the right to not to investigate the reported matter.

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

Directors and Employees shall be informed of the Policy by publishing on the notice board and 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 5 (five) years or such other period as specified by any other law in force, whichever is more.

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 Directors and employees unless the same is not communicated in the manner described as above

MANAGEMENT DECISION

- a. Relevant board committee will take disciplinary or corrective action against the Subject as per the Company's disciplinary procedures and can also take legal action, if required.
- b. The decision of relevant board committee should be considered as final and no challenge against the decision would be entertained, unless additional information becomes available.
- c. In case of frivolous or false complaints, action may be taken against the complainant.

The contact details of the Chairman of the Audit Committee and Vigilance Officer are as under:-

A. Chairman of the Audit Committee:

Name and Address – Mr. Kamal Kishore Sharma
Chairman, Audit Committee
Advik Laboratories Limited
807, Arunachal Building,
19, Barakhamba Road,
Connaught Place, New Delhi – 110001
Email id – mail@advikindia.com

B. Vigilance Officer -

Name and Address – Mr. Manoj Bhatia
Chief Financial Officer
Advik Laboratories Limited
807, Arunachal Building,
19, Barakhamba Road,
Connaught Place, New Delhi – 110001
Email id – manoj@advikindia.com

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