

Vigil Mechanism / Whistle Blower Policy

I. PREAMBLE

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of company, 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.

Effective 1st October, 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 and directors to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company’s code of conduct.

AVT Natural Products Limited (herein after called ‘AVTNPL’) has adopted the Code of Business Conduct & Ethics (“the Code”), which lays down the principles and standards that should govern the actions of the Directors and its Senior management employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the AVTNPL. The role of the employees in pointing out such violations of the Code cannot be undermined.

Accordingly, this Vigil Mechanism / Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for directors and employees of the AVTNPL to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. 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 Chairman of the Audit Committee in appropriate or exceptional cases.

II. OBJECTIVE

AVTNPL is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the AVTNPL encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for directors and employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

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.

III. POLICY

The Vigil Mechanism policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the AVTNPL.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor a route for taking up a grievance about a personal situation.

IV. DEFINITIONS

- **“Disciplinary Action”** means any action that can be taken on the completion of or during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- **“Employee”** means every employee of AVTNPL
- **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- **“Nodal Officer”** means an officer of the Company nominated by the Board of Directors / Managing Director to receive protected disclosures from Whistle Blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- **“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 under this Policy.
- **“Whistleblower”** is someone who makes a Protected Disclosure under this Policy.
- **“Whistle Officer”** or **“Whistle Committee”** or **“Committee”** means an Officer or Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosure received from the whistleblower and recommend disciplinary action. The Committee, if appointed, should include Senior Level Officers of HR & Administration and a representative of the Division / Department where the alleged malpractice has occurred.
- **“Good Faith”**: An employee shall be deemed to be communicating in “good faith” if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- **“Policy or This Policy”** means, ‘Vigil Mechanism / Whistle blower Policy.’

V. SCOPE

Various stakeholders of the AVTNPL are eligible to make Protected Disclosures under the Policy. These stakeholders may fall into any of the following broad categories:

- Employees of AVTNPL
- Directors of AVTNPL
- Employees of other agencies deployed for the AVTNPL’s activities, whether working from any of the AVTNPL’s offices or any other location
- Any other person having an association with the AVTNPL.

A person belonging to any of the above mentioned categories can avail of the channel

provided by this Policy for raising an issue covered under this Policy.

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

- (a) Abuse of authority
- (b) Breach of contract
- (c) Negligence causing substantial and specific danger to public health and safety
- (d) Manipulation of data/records of AVTNPL
- (e) Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- (f) Any unlawful act whether Criminal / Civil
- (g) Pilferation of confidential / propriety information
- (h) Deliberate violation of law / regulation
- (i) Wastage / misappropriation of AVTNPL's funds/assets
- (j) Breach of AVTNPL policy or failure to implement or comply with any approved AVTNPL policy.
- (k) corruption, bribery, sexual harassment and child labour.

Policy should not be used in place of the AVTNPL grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

VI. GUIDING PRINCIPLES

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

- (a) ensure that the Whistleblower and / or the person processing the Protected Disclosure is not victimized for doing so
- (b) treat victimization as a serious matter, including initiating disciplinary action on such person(s)
- (c) ensure complete confidentiality
- (d) not attempt to conceal evidence of the Protected Disclosure
- (e) take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
- (f) provide an opportunity of being heard to the persons involved especially to the Subject

VII. ANONYMOUS ALLEGATION

Anonymous complaints / disclosures WILL NOT BE ordinarily investigated.

VIII. PROTECTION TO WHISTLE BLOWER

1. If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. AVTNPL's employee will not be at the risk of losing her / his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy. The protection is available provided that:
 - a) The communication / disclosure is made in good faith
 - b) He / She reasonably believes that information, and any allegations contained in it, are substantially true; and
 - c) He / She is not acting for personal gain

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as well anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals.

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

2. The AVTNPL will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the AVTNPL shall publically inform employees of the penalty imposed and discipline of any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

Any other Employee / business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

IX. ACCOUNTABILITIES – WHISTLE BLOWERS

- a) Bring to early attention of the AVTNPL any improper practice they become aware of. although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the AVTNPL.
- b) Avoid anonymity when raising a concern
- c) Follow the procedures prescribed in this policy for making a Disclosure
- d) Co-operate with investigating authorities, maintaining full confidentiality

- e) The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty disclosures. Malicious allegations by employees may attract disciplinary action
- f) A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- g) Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the subject and important evidence is likely to be destroyed
- h) In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Whistle Officer or the Committee, he/she can make a direct appeal to the Managing Director of AVTNPL.

X. ACCOUNTABILITIES – WHISTLE OFFICER AND WHISTLE COMMITTEE

- a) Conduct the enquiry in a fair, unbiased manner
- b) Ensure complete fact-finding
- c) Maintain strict confidentiality
- d) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- e) Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- f) Minute Committee deliberations and document the final report

XI. RIGHTS OF A SUBJECT

- a) Subject have right to be heard and the Whistle Officer or the Committee must give adequate time and opportunity for the subject to communicate his / her say on the matter.
- b) Subject have the right to be informed of the outcome of the investigation and shall be so informed in writing by the AVTNPL.after the completion of the inquiry/ investigation process.

XII. MANAGEMENT ACTION ON FALSE DISCLOSURES

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with AVTNPL.rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of intimation by him and for legitimate reasons or cause under AVTNPL.rules and policies.

XIII. PROCEDURE FOR REPORTING & DEALING WITH PROTECTED DISCLOSURES

Refer Annexure – A for details on the procedure for reporting & dealing with protected disclosures

XIV. ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with “Protected Disclosures” are considered confidential information and access will be restricted to the Whistleblower, Nodal officer, the Whistle Committee and Whistle Officer. “Protected Disclosures” and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

XV. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the AVTNPL for a minimum period of 7 years.

XVI. REPORTS

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Whistle officer or Whistle Committee and the corrective actions taken will be sent to the Audit Committee of the Board of Directors of AVTNPL by the Nodal Officer.

XVII. AVTNPL'S POWERS

AVTNPL is entitled to amend, suspend or rescind this policy at any time. Whilst, the AVTNPL has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. AVTNPL may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good Corporate Governance.

XVIII. CONTACT DETAILS OF AUDIT COMMITTEE CHAIRMAN

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

Mr. M.A. Alagappan
Tel : 044 – 24357051
Email : AlagappanMA@corp.murugappa.com

Annexure - A**PROCEDURE FOR REPORTING & DEALING WITH PROTECTED DISCLOSURES****1. How should a Protected Disclosure be made and to whom?**

All Protected Disclosures should be either be typed or written in a legible handwriting in English / regional language.

The protected disclosures 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 Vigil Mechanism Policy”** either by hand delivery, courier or by post addressed to the Nodal officer of the Company.

However, Protected Disclosures against the Business Unit Heads or Nodal Officer or Directors should be sent directly to the Managing Director of AVTNPL.

The nodal officer on receipt of the protected disclosure shall within 7 of days of receipt of the same shall forward the same to Whistle officer or the Whistle committee, after consultation with Managing Director, for investigation of the complaint.

2. Is there any specific format for submitting the Disclosure?

While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:

- (a) Name, address and contact details of the Whistleblower (add Employee ID if the Whistle blower is an employee).
- (b) Brief description of the malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important.
- (c) The disclosure should be sealed in an envelope marked **“Protected disclosure under the Whistle Blower Policy”** and addressed to the Nodal Officer in case of employees and Managing Director, in case of protected disclosure against Business Unit Heads or Nodal officer and Directors .

3. What will happen after the Protected Disclosure is submitted?

- (a) The Nodal Officer shall acknowledge receipt of the protected disclosure as soon as practical (preferably within 7 days of receipt of a Disclosure), where the Whistleblower has provided his/her contact details.
- (b) The Nodal Officer will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure constitute a malpractice by discussing with Managing Director of AVTNPL. (if required). If the Nodal Officer determines that the allegations do not constitute a malpractice, he will record this finding with reasons and communicate the same to the Whistleblower
- (c) If the Nodal Officer determines that the allegations constitute a malpractice, he will forward the same to Whistle officer or whistle committee to proceed to investigate the Disclosure as he/she deems necessary.
- (d) If the alleged malpractice is required by law to be dealt with under any other mechanism, the Whistle Officer or the whistle committee shall refer the Disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.

- (d) "Subject" will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- (e) The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Whistle Officer or Whistle Committee for the purpose of such investigation shall do so. Individuals with whom the Whistle Officer or Whistle Committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
- (f) If the malpractice constitutes a criminal offence, the Whistle Officer will bring it to the notice of the Managing Director and take appropriate action including reporting the matter to the police.
- (g) The Managing Director of the AVTNPL may, at his/her discretion, participate in the investigations of any protected disclosure.
- (h) The Whistle officer or the whistle Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Nodal Officer or the Managing Director as soon as practically possible and in any case, not later than 90 days from the date of receipt of the Disclosure. The Nodal Officer may allow additional time for submission of the report based on the circumstances of the case.
- (i) The nodal officer shall place the same on quarterly basis before the Audit Committee of the Board of Directors for its consideration.
- (j) Whilst it may be difficult for the Nodal Officer to keep the Whistleblower regularly updated on the progress of the investigations, he will keep the Whistleblower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.
- (k) The Nodal Officer will ensure action on the recommendations of the Whistle Officer or Whistle Committee and keep the Whistleblower informed of the same. Though no time frame is being specified for such action, the AVTNPL will endeavor to act as quickly as possible in cases of proved malpractice.

4. What should I do if I face any retaliatory action or threats of retaliatory action as a result of making a Disclosure?

If you face any retaliatory action or threats of retaliatory action as a result of making a Disclosure, please inform the Nodal Officer in writing immediately. He will treat reports of such actions or threats as a separate Disclosure and investigate the same accordingly and may also recommend appropriate steps to protect you from exposure to such retaliatory action and ensure implementation of such steps for your protection.

Details of the Nodal Officer

Dileepraj. P
Company Secretary
Email: dileepraj.p@avtnatural.com
Mobile: 94460 20782
Phone : 0484 - 2677186
