

AI CHAMPDANY INDUSTRIES LIMITED
VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. PREMBLE

- 1.1. 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. AI Champdany Industries Limited (the Company) is covered by section 177.
- 1.2. The Company has adopted a Code of Conduct for Directors and Senior Management Executives (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, is a matter of serious concern for the Company. 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.
- 1.3. 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 termed ‘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 or ethics policy.

The Company, being a Listed Company proposes to establish a Vigil Mechanism and Whistle Blower Policy and to formulate a policy for the same. Therefore, in pursuance of the said section, this Vigil Mechanism and Whistle Blower Policy (‘this Policy’) has been formulated by the Company and approved by the Board of Directors.

- 1.4. The policy applies to all Directors and employees of the Company.

2. POLICY OBJECTIVES

- 2.1 The basic objectives of this is policy are:

- a) to provide a vigil mechanism and an opportunity for directors and employees to blow whistle against and to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy
- b) to provide an opportunity to the directors or employees and give them an avenue to raise concerns and to access in good faith the Audit Committee,
- c) to maintain the highest possible standards of ethical, moral and legal business conduct and the company's commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company,
- d) to provide all necessary safeguards for protection of directors and employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those directors or employees as a result of the directors' or employees' good faith disclosure of alleged wrongful conduct to an audit committee. Any director or employee who discloses and subsequently suffers an adverse personal action as a result is subject to the protection of this Policy.

2.2 The Company is committed to developing the culture where it is safe for all employees to raise concerns about any unacceptable practice and any event of misconduct.

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

2.4 A Vigil (whistleblower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. 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.

2.5 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 or with a mala fide intent.

3 The Guiding Principles

- 3.1 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
- 3.1.1 Ensure that the whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so;
 - 3.1.2 Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
 - 3.1.3 Ensure complete confidentiality.
 - 3.1.4 Not attempt to conceal evidence of the Protected Disclosure;
 - 3.1.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
 - 3.1.6 Provide an opportunity of being heard to the persons involved especially to the Subject.

4 Coverage of Policy

The policy covers the following unlawful or unethical or improper practice or activity:

- Deliberate violation of any law/regulation
- Misuse or misappropriation of the assets of the Company;
- Gross waste or misuse or misappropriation of the Company's funds;
- A substantial and specific danger to health and safety;
- An abuse of authority;
- Breach of Company's Code of Conduct or Rules
- Criminal Offence.
- Intentional financial irregularities including fraud/suspected fraud.
- Breach of terms & conditions of employment & rules thereof by the company.
- Pilferation of confidential/proprietary information.
- Any other unethical, biased event.

5 Disqualifications

- 5.1 While it will be ensured that genuine whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 5.2 Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistleblower knowing it to be false or bogus or with a mala fide intention or without sufficient evidence to make the allegation.
- 5.3 Whistleblowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted under Company's Code of Conduct.

PROTECTED DISCLOSURES

6. DEFINITIONS

- 6.1 **“Alleged wrongful conduct”** shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, substantial and specific danger to public health and safety or abuse of authority”.
- 6.2 **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.
- 6.3 **“Board”** means the Board of Directors of the Company.
- 6.4 **“Code”** means Code of Conduct for Directors and Senior Management Executives adopted by AI Champdany Industries Limited.
- 6.5 **“Employee”** means all the present employees and whole-time Directors of the Company (whether working in India or abroad).
- 6.6 **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 6.7 **“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.
- 6.8 **“Vigilance Officer”** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistleblower the result thereof.
- 6.9 **“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.

7. ELIGIBILITY

All directors and employees of the Company are eligible to make Protected Disclosures under this Policy in relation to matters concerning the Company.

7. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

7.1 Employees can make Protected Disclosures to The Vigilance Officer as soon as possible but not later than 30 consecutive days after becoming aware of the same.

7.2 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 e-mail with the subject “PROTECTED DISCLOSURE UNDER THE WHISTLE BLOWER POLICY”. If the complaint is not super scribed & closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

7.3 All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. The contact details of the Vigilance Officer is as under:

Name: Mr. Prakash Nagar, Vice president (F&A) & CFO

Address

AI Champdany Industries Limited
25, Princep Street
Kolkata-700 072
Email: cil@ho.champdany.co.in

7.4 Any Protected Disclosure against the Vigilance Officer and the Protected Disclosure against any of the Directors of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman of the Audit Committee are as under:-

**Name and Address of the
Chairman of the Audit
Committee.**

Shri Harbhajan Singh
F-9, Jungpura Extension
New Delhi - 110 014

7.5 Every whistleblower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.

7.6 If initial enquiries by the Vigilance Officer indicate that the concern has no basis, or it is not a matter to be investigation under this Policy, it may be dismissed at this stage and the decision will be documented.

7.7 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by The Vigilance Officer or by such other person as may be

appointed by The Vigilance Officer. The investigation would be conducted in a fair manner, as a neutral fact finding process and without presumption of guilt. A written report of the findings will be made.

7.8 The Vigilance Officer shall:

i) Make a detailed written record of the Protected Disclosure. The record will include:

- a) Facts of the matter;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether any Protected Disclosure was raised previously against the same Subject;
- d) The financial/other loss which has been incurred/would have been incurred by the Company;
- e) Findings of the Vigilance Officer/investigation person;
- f) The recommendations of the Vigilance Officer on disciplinary/other action/(s);

ii) The Vigilance Officer shall finalise and submit the report to The Chairman of the Audit Committee, within 60 days;

7.9 On submission of report, the Chairman of the Audit Committee shall discuss the matter with the Vigilance Officer who shall either-

i) In case the Protected Disclosure is proved, accept the findings of the Vigilance Officer and make recommendations to the management to take such Disciplinary Action as he may think fit and take preventive measures to avoid reoccurrence of the matter;

ii) In case the Protected Disclosure is not proved, extinguish the matter; or

iii) Depending upon the seriousness of the matter, Chairman of the Audit Committee may refer the matter to the Board of Directors with proposed disciplinary action/counter measures. The Board of Directors, if thinks fit, may further refer the matter to the Audit Committee for necessary action with its proposal.

8. Protection

- 8.1 No unfair treatment will be meted out to a whistleblower 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 whistleblower. Complete protection will, therefore, be given to whistleblower against any unfair practice.
- 8.2 The identity of the whistleblower shall be kept confidential.
- 8.3 Any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the whistleblower.

9. Secrecy/Confidentiality

The whistleblower, the Subject, the Vigilance Officer and everyone involved in the process shall:

- a. maintain complete and strict confidentiality/ secrecy of the matter and proceedings;
- b. not discuss the matter with any person other than one required for enquiry/investigation into the matter;
- c. discuss only to the extent 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 and punitive action as is considered fit.

10. Reporting

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

1. Communication

Directors & Employees shall be informed of the policy by publishing on the notice board and on the website of the company.

2. Retention of Documents

All protected disclosure 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.

11. Amendment

The Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever. However, no such amendments / notifications will be binding on Directors & employees unless the same is not communicated in the manner described as above.