

**AVTEC Limited**

**Whistle Blower Policy**

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## 1. INTRODUCTION

Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the Company to constitute a vigil mechanism called the 'Whistle Blower Policy' for **Whistle Blower** to report concerns about illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Our Company has adopted this Whistle Blower Policy in line with the objective of strengthening the governance mechanism and to report to the Audit Committee instances of illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

## 2. DEFINITIONS

**"Act"** means the Companies Act, 2013.

**"Audit Committee"** means Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013.

**"Company"** means AVTEC Limited its Indian subsidiaries, joint-ventures and associate companies.

**"Designated Officer"** means Company Secretary of the Company.

**"Employee"** means every employee of the Company (whether working in India or abroad).

**"Policy"** means the Whistle Blower Policy.

**"Protected Disclosure(s)"** means any communication made in good faith that discloses or demonstrates information that may evidence any Wrongful Act.

**"Rules"** means the Companies (Meeting of Board and its Powers) Rules, 2014.

**"Whistle Blower"** means stakeholder(s) including directors of the Company and individual employee(s) & their representative bodies who makes a Protected Disclosure under this Policy.

**"Whistle Blower Committee"** means committee constituted by the Company consisting of CEO, CFO and HR- Head.

**Wrongful Act"** means any illegal or unethical practice, unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

**"Exceptional Circumstances/ Exceptional Nature"** The Protected Disclosure that is against the member(s) of the Whistle Blower Committee, the Designated Officer or employees and officers of the Company who occupy designations that are superior/ senior to that of the Designated Officer/ members of the Whistle Blower Committee.





### 3. OBJECTIVE

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 whistle blowers who have concerns about illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy to come forward and express these concerns without fear of punishment or unfair treatment. The vigil (whistle blower) mechanism provides a channel to the whistle blower to report to the Whistle Blower Complaints Committee concerns about illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of a whistle blower to avail of the mechanism and also provide for direct access to the Chairman of Audit Committee for the purpose in exceptional cases.

This policy does not absolve whistle blowers from their duty of confidentiality in the course of their work nor does it permit them to raise malicious or unfounded allegations arising out of a personal situation

### 4. ELIGIBILITY

All stakeholders including directors and individual employee(s) and their representative bodies are eligible to make protected disclosures under this Policy.

This policy has been adopted by the Board of Directors in their meeting held on November 25, 2014.

### 5. SCOPE

The whistle blower may report or raise any concern which he/ she believe is a wrongful act. Any allegation which falls within the scope of the policy will be considered and to the extent that the initial examination indicates is appropriate and necessary investigated further.

These concerns would include but are not restricted to:-

- Fraud;
- Financial malpractice;
- Failure to comply with applicable legal requirements or Company policy;
- Improper conduct or unethical behaviour, including breach of the Company's code of conduct, business integrity or ethics;
- Attempts to conceal any material facts or misrepresentation;
- Negligence causing substantial and specific danger to public health, safety or environment;
- Any unlawful act whether criminal/civil;
- Colluding with third parties/associates to exploit or cause harm to the Company;
- Breach of terms and conditions of employment and rules thereof;
- Manipulation of company data/ records;
- Unauthorised use, access or disclosure of confidential/proprietary information;
- Abuse of authority; and
- Misappropriation or authorised use of Company Funds/assets.



The whistle blower is not permitted to act on his/ her own in conducting any investigative activities, nor does he/ she have a right to participate in any investigative activity other than as requested by the Whistle Blower Committee, the Chairman of the Audit Committee or the investigators.

## 6. PROCEDURE

### Reporting a concern:

- (a) All protected disclosures should be addressed to the designated officer or in exceptional circumstances to the Chairman of the Audit Committee.

#### The contact details of the Designated Officer are:

Name: Ruchika Gupta

E-mail: ruchika.gupta@avtec.in

Mailing Address: Birla Tower, 7th Floor, 25, Barakhamba Road, New Delhi-110 001

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

Name: Chairman of the Audit Committee

C/o Ruchika Gupta

Mailing Address: Birla Tower, 7th Floor, 25, Barakhamba Road, New Delhi-110 001

- (b) Protected disclosures should be reported either through email or in writing to designated officer and only in writing to the Chairman of Audit Committee, as the case may be. It should either be typed or written in legible handwriting in English, Hindi or in the regional language of the whistle blower, so as to ensure a clear understanding of the issues raised.
- (c) The whistle blower should endeavour to make the protected disclosure, as soon as possible, after becoming aware of the illegal or unethical practices, unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy etc.
- (d) The protected disclosure should be submitted under a covering letter signed by the whistle blower in a closed and secured envelope and should be superscribed as "***Protected Disclosure under the Whistle Blower Policy/ Vigil Mechanism***" or sent through email with the subject "***Protected Disclosure under the Whistle Blower Policy/ Vigil Mechanism***". If the protected disclosure is not superscribed and closed as mentioned above, the protected disclosure will be dealt with as if it is a normal disclosure.
- (e) If a protected disclosure is received by any executive of the Company other than the designated officer or the Chairman of the Audit Committee, it should be forwarded to the designated officer or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the whistle blower confidential.
- (f) The covering letter should disclose the name and address of the whistle blower.





- (g) In order to protect the identity of the whistle blower, the designated officer/ the Chairman of the Audit Committee will not issue any acknowledgement to the whistle blower and the whistle blower is advised not to write his/ her name/ address on the envelope nor enter into any further correspondence with the designated officer or the Chairman of the Audit Committee.
- (h) Anonymous disclosures may also be entertained in the manner set out in Paragraph 10 below.
- (i) The protected disclosure shall contain factual details and should not be 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 for a preliminary investigative procedure.
- (j) After receipt of the protected disclosure by the designated officer, he/ she shall forward it within a week to the Whistle Blower Committee or the Chairman of the Audit Committee as the case may be. At least two members shall form the quorum of the Whistle Blower Committee.
- (k) On receipt of a protected disclosure, the Whistle Blower Committee or the Chairman of the Audit Committee or any person authorised by the Chairman of the Audit Committee on his behalf, as the case may be, shall detach the covering letter bearing the identity of the whistle blower and process only the protected disclosure.
- (l) All protected disclosures should be addressed to the designated officer, or to the Chairman of the Audit Committee in exceptional circumstances. In the event the designated officer or the Whistle Blower Committee is of the opinion that the protected disclosure is of an exceptional nature, the designated officer or the Whistle Blower Committee may forward the protected disclosure to the Chairman of the Audit Committee for further action.

## **7. INVESTIGATION**

- (a) All protected disclosures under this policy will be recorded and thoroughly investigated. The Whistle Blower Committee will be responsible for the investigation of protected disclosures made to them and the Chairman of the Audit Committee or any person or persons authorised by Chairman shall be responsible for the investigation of the protected disclosures made to the Chairman of the Audit Committee.
- (b) The Whistle Blower Committee/ Chairman of the Audit Committee will carry out an investigation either itself/himself/herself or may authorise any other officer of the Company/ committee constituted for the purpose or an outside person(s) or an outside agency or a combination of them.

Investigations will be launched after a preliminary review, which establishes prima facie that the alleged act constitutes illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy etc.

- (c) Delinquents will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.



- (d) The identity of the delinquent and the whistle blowers shall be kept confidential by the persons involved in the investigation, to the extent possible, subject to applicable laws
- (e) The Chairman of the Audit Committee or the Whistle Blower Committee or any person(s) / agency authorised by them, as the case may be, may call for further information or particulars from the whistle blower, the delinquent or any other person if it deems appropriate
- (f) Based on the investigation conducted, a report on the protected disclosure, which establishes the culpability or lack thereof of the delinquent shall be prepared by the Whistle Blower Committee or the Chairman of the Audit Committee or the person(s) / agency conducting the investigation, as the case may be. The investigation shall be completed and the report shall be prepared within 60 days of the receipt of the protected disclosure. The Audit Committee may at its discretion extend this time period.
- (g) The Whistle Blower Committee or the Chairman of the Audit Committee or any person(s)/agency authorised by Whistle Blower Committee/ the Chairman of the Audit Committee shall make a written record of the protected disclosure. The record shall include facts of the matter, comparatives with previous complaints and outcomes, recommended disciplinary action etc
- (h) Unless there are compelling reasons not to do so, delinquents will be given the opportunity to respond to material findings contained in an investigation report. The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process
- (i) Any member of the Audit Committee or the Whistle Blower Committee or other officer having any conflict of interest in relation to a protected disclosure shall disclose his/her concern /interest forthwith and shall not deal with the protected disclosure.
- (j) The person(s) named as delinquent and directors, other employees and stakeholders shall co-operate with the investigation.
- (k) The person(s) named as delinquent shall not interfere with the investigation. Further, no evidence shall be withheld, destroyed or tampered with and no witnesses shall be influenced, tutored, threatened or intimidated by the person(s) named as delinquent or any other person, prior to or during or after the investigation.

## **8. DECISION AND REPORTING**

- (a) Any disciplinary or corrective action initiated against the persons found delinquent as a result of the findings of an investigation pursuant to this policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- (b) A quarterly report with number of complaints received under this policy, their investigation and the outcome shall be placed before the Audit Committee and the Board.

## **9. HARASSMENT OR VICTIMISATION**

- (a) No unfair treatment will be meted out to a whistle blower by virtue of his/ her having reported a protected disclosure under this policy. Protection will be given to whistle



blowers against any unfair practice including but not limited to retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his/her duties/ functions including making further disclosure. The Company will take steps to minimize difficulties, which the whistle blower may experience as a result of making the disclosure.

- (b) The identity of the whistle blower shall be kept confidential to the extent possible and permitted under law. Any employee assisting in the said investigation shall also be protected to the same extent as the whistle blower.
- (c) The whistle blower, the Chairman of the Audit Committee or any person(s) / agency authorised by the Chairman of the Audit Committee, the Whistle Blower Committee , the designated officer, the investigator and everyone involved in the process shall:
  - (i) maintain complete confidentiality/ secrecy of the matter;
  - (ii) not discuss the matter in any informal/social gatherings/ meetings;
  - (iii) discuss only to the extent or with the persons required for the purpose of completing the process and investigation;
  - (iv) not keep the papers relating to any protected disclosure or the investigation unattended anywhere at any time;
  - (v) keep the electronic mails/files under password;
  - (vi) if anyone is found not complying with the above, he/ she shall be held liable for disciplinary action;
- (d) If a whistle blower faces any retaliatory action or threat as a result of making a protected disclosure he/ she may immediately write to the Chairman of the Audit Committee who will recommend appropriate steps to protect the whistle blower from such retaliatory action and ensure implementation of such steps for the protection of the whistle blower.

## **10. ANONYMOUS ALLEGATIONS**

This policy encourages a whistle blower to put his / her name to allegations. However, a whistle blower may raise concerns anonymously. Concerns expressed anonymously may be evaluated by the Whistle Blower Committee or the Audit Committee for investigation at its discretion. In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

## **11. UNTRUE ALLEGATIONS**

- (a) In making a disclosure, the whistle blower should exercise due care to ensure the accuracy of the information. If stakeholders including directors and individual employee(s) and/or their representative bodies makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that individual. If however, a whistle blower makes malicious or vexatious allegations, and particularly if he or she persists with making them despite the outcome of the investigation, the Audit Committee may recommend action against the whistle blower.



- (b) 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 such whistle blowers, the Company/Audit Committee reserves its right to take/recommend appropriate disciplinary action.

## 12. OBLIGATIONS OF WHISTLE BLOWERS

The obligations of the whistle blowers shall include the following:

- (a) Promptly reporting any illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy in time. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- (b) Although they are not required to provide proof, the whistle blowers must have sufficient cause for concern and submit evidence, to which they may have access, when called for.
- (c) Avoid anonymity when raising a concern if at all possible.
- (d) Follow the procedures prescribed in this policy for making a disclosure.
- (e) Co-operate with investigators in maintaining full confidentiality

## 13. RETENTION OF RECORDS

All disclosures in writing as well as all documents related to any investigation and the results of the investigation relating thereto shall be retained for a period of 7 years.

## 14. INFORMATION DISSEMINATION

The details of establishment of this mechanism shall be disclosed by the Company on its website and in the Board's report.

## 15. REVIEW OF THE POLICY

The Board shall review the policy from time to time based on the changing needs and make suitable modifications as may be necessary. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

*In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.*

Date: 25.11.2014  
Place: New Delhi

