

**WHISTLEBLOWER POLICY AND VIGIL MECHANISM**

**OF**

**AVAADA ELECTRO LIMITED**

## TABLE OF CONTENTS

<b>DEFINITIONS AND INTERPRETATION .....</b>	<b>3</b>
1 Definitions .....	3
2 Interpretation .....	4
<b>INTRODUCTION .....</b>	<b>5</b>
3 Background .....	5
4 Scope .....	5
5 Objectives .....	5
<b>PROCEDURE UNDER THE WHISTLEBLOWER POLICY .....</b>	<b>6</b>
6 Protected Disclosure .....	6
7 Mechanism for Making Protected Disclosures .....	7
a. The fairness to any individual named in the anonymous Protected Disclosure; ..	7
b. The seriousness of the issue raised; .....	7
c. The credibility of the information or allegation in the Protected Disclosure; ..	7
d. The ability to ascertain the validity of the Protected Disclosure and to appropriately resolve; it without the assistance and cooperation of the Whistleblower; .....	7
e. Ensure complete fact-finding; and .....	7
f. Recommend an appropriate course of action .....	7
8 Investigation .....	8
9 Investigators .....	9
10 Decision and Reporting .....	9
11 Confidentiality .....	9
12 Protection .....	10
13 Access to Reports and Documents Retention of Documents .....	10
14 Communication .....	10
Amendment and Review .....	10

## DEFINITIONS AND INTERPRETATION

### 1 Definitions

**"Act"** shall mean Companies Act, 2013 and rules made thereunder, as amended from time to time;

**"Board"** shall mean the Board of Directors of the Company;

**"Committee"** or **"Audit Committee"** shall mean the audit committee constituted by the Board of Directors in accordance with Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of LODR Regulations.

**"Company"** shall mean Avaada Electro Limited;

**"Employee"** shall mean all the present employees of the Company and the Board of Directors (whether working in India or abroad);

**"Disciplinary Action"** shall mean any action that can be taken on the completion of/during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed by the Company, to be fit, considering the gravity of the matter;

**"Fact Finder"** shall mean, the person(s) or outside entity appointed by the Board to investigate a Protected Disclosure.

**"Fraud"** means deliberate deception to secure or attempt to secure, unfair or unlawful benefit or gain from the Company or a third party. This may include the embezzlement of Company funds or the misappropriation of Company assets in the form of money, property, data or intellectual property.

**"Improper Practice"** includes

- a) Any actual or potential violation of the legal & regulatory requirements whether Criminal/ Civil;
- b) Any claim of theft or fraud;
- c) Abuse of authority;
- d) Breach of contract/ trust, pilferation of confidential/propriety information;
- e) Conflict of interest with the company
- f) Leaking of confidential or proprietary information of the company
- g) Negligence causing substantial and specific danger to public health and safety;
- h) Manipulation/ theft of the Company data/records;
- i) 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;
- j) Wastage/misappropriation of the Company funds/assets, embezzlement;
- k) Breach of Company Policy/ies or failure to implement or comply with any approved Company Policy/ies;
- l) Any claim of retaliation for providing information to;

- m) Any other action or inaction that could have significant impact on the operations, performance, value and the reputation of the Company.

**“Investigators”** shall mean those persons authorized, appointed, consulted or approached by the Whistle Officer and includes the auditors of the Company and the police.

**“Policy”** shall mean this Whistleblower Policy and Vigil Mechanism;

**“Protected Disclosure”** shall mean a concern raised by a written communication made in good faith that may be treated as an evidence of an unethical or improper activity. Disclosure should be factual and not be speculative in nature;

**“Subject”** shall mean 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;

**“Whistle Officer”** shall mean an officer appointed by the Board/Audit Committee (which shall include any other committee of the Board formed specifically to oversee the functioning of the whistleblower mechanism, under the purview of the Board / Audit Committee to receive Protected Disclosures from Whistleblower, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistleblower the result thereof;

**“Whistleblower”** shall mean any individual who makes a Protected Disclosure under this Policy including but not limited to an Employee whether currently or previously employed, whether on probation/notice period, contract employees, director and trainee, supplier/vendor of the Company, consultants, intermediaries, joint venture partners, lenders, customers, business associates, and others with whom the Company has any financial or commercial dealings and their dependents or spouses and may also be referred to in this Policy as the **“Complainant”**.

## 2 Interpretation

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be. In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.

## INTRODUCTION

### 3 Background

The Company is committed to being open and transparent with its involved stakeholders and believes in disseminating information in a fair and timely manner.

Any actual or potential violations of Company's policies or applicable laws, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Accordingly, this Policy has been approved by the Committee of the Board of the Company as per the terms of the provisions of Section 177 of the Companies Act, 2013, Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

### 4 Scope

The Policy covers disclosures of any unethical, improper behavior malpractices and events, which have taken place or suspected to have taken place *inter-alia* involving breach of guidelines governing disclosure of unpublished price sensitive information and insider trading, etc., financial irregularities, including fraud or suspected fraud, forgery, falsification or alteration of documents, manipulation of Company's data and records, or any other deliberate violation of applicable laws/regulations, gross wastage/ misappropriation of Company's funds and/or assets and/or resources, negligence causing substantial and specific danger to public health and safety, any incidence of harassment of any employee of the Company based on caste, colour, creed, religion, faith, disability, sexual orientation, national origin, age, marital status, sex, veteran or citizenship or other characteristics protected by law, any other illegal, unethical or improper conduct, of any nature whatsoever. All the Directors and employees of the Company (Whistleblower) are eligible to make Protected Disclosures under the Policy.

### 5 Objectives

The main purpose of this Policy is to articulate the Company's point of view on whistleblowing, the process, and the procedure to strengthen the whistleblowing mechanism in the Company. The objectives of this Policy are:

- a. to provide a platform and mechanism for the Whistleblowers to voice genuine concerns or grievances about unethical conduct without fear of retaliation.
- b. to provide an environment that promotes responsible and protected whistleblowing. It reminds Whistleblowers about their duty to report any suspected violation of Company's policies or applicable laws.
- c. to encourage timely, safe and open reporting of any suspected impropriety,
- d. to ensure consistent and timely institutional response.
- e. to ensure appropriate reporting of whistleblower investigations.

- f. to encourage ethical and lawful conduct.
- g. to provide adequate safeguards against victimization of persons.
- h. Provide an opportunity of being heard to the persons involved especially on the Subject.

## **PROCEDURE UNDER THE WHISTLEBLOWER POLICY**

### **6 Protected Disclosure**

- 6.1 A Protected Disclosure can include any concern about the Company, customers' or suppliers' work, values, people, process or policies and can be made by any Whistleblower who wishes to do so. A Protected Disclosure may be made anonymously. If a Protected Disclosure is made anonymously, the same must provide as much detail as possible to facilitate the investigation. The protection is available provided that:
  - a) the communication/ disclosure is made in good faith;
  - b) the Whistleblower reasonably believes that information, and any allegations contained in it, are substantially true; and
  - c) the Whistleblower is not acting for personal gain.
- 6.2 Protected Disclosure is anything that a Whistleblower may have reasonable grounds to suspect, in relation to the Company and amounts to:
  - a. misconduct, or an improper state of affairs or circumstances;
  - b. conduct that constitutes a contravention of laws and is punishable by imprisonment; or
  - c. conduct that represents a danger to the public or the financial system.
- 6.3 Examples of Protected Disclosure include, but are not limited to:
  - a. illegal conduct, such as theft, violence or threatened violence, and criminal damage against property;
  - b. fraud, money laundering or misappropriation of funds;
  - c. offering or accepting a bribe;
  - d. financial irregularities;
  - e. instances of leak of Unpublished Price Sensitive Information.

## **7 Mechanism for Making Protected Disclosures**

7.1 A Protected Disclosure should be made in writing. Letters can be submitted by hand-delivery, email, courier or by post addressed to the Whistle Officers as appointed by the Board/Committee viz.Mr. Vinoo George, the Director and Mr.Surendra Gupta, the Company Secretary or emailed at [whistleofficerselectro@avaada.com](mailto:whistleofficerselectro@avaada.com) .

7.2 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 the suitable directions in this regard.

7.3 Protected Disclosures against any Employee in the strategic job responsibility band or the business unit heads or the Directors should be sent directly to the Company via e-mail whistle officer or at the [whistleofficerselectro@avaada.com](mailto:whistleofficerselectro@avaada.com) .

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

- a) Name, address and contact details of the Whistleblower. Disclosures expressed anonymously will NOT be investigated.
- b) Brief description of the Improper Practice, giving the names of those alleged to have committed or about to commit an Improper Practice. Specific details such as time and place of occurrence are also important.
- c) In case of letters, the Protected Disclosure should be sealed in an envelope marked "Whistleblower" and addressed to Mr. Vinoo George, the Director.
- d) In case of e-mail, the Protected Disclosure should be marked "Confidential" and the subject line should contain "Whistleblower" and addressed to the whistle officers .

7.5 In responding to anonymous Protected Disclosure, the Company will pay due regard to:

- a. The fairness to any individual named in the anonymous Protected Disclosure;
- b. The seriousness of the issue raised;
- c. The credibility of the information or allegation in the Protected Disclosure;
- d. The ability to ascertain the validity of the Protected Disclosure and to appropriately resolve it without the assistance and cooperation of the Whistleblower;
- e. Ensure complete fact-finding; and
- f. Recommend an appropriate course of action

7.6 The Disclosure should contain as much detailed information as possible so that the report can be investigated. Some useful details include:

- a. date, time and location;
- b. names of person(s) involved, roles and their business group;

- c. relationship of the Whistleblower with the person(s) involved;
- d. the general nature of the Whistleblower's concern;
- e. how the Whistleblower became aware of the issue;
- f. possible witnesses; and
- g. other information that the Whistleblower must have to support their report.

## **8 Investigation**

- 8.1 All Protected Disclosures reported under this Policy will be investigated by the Whistle Officer, -Mr. Vinoo George / the Committee , along with such internal team, if so formed which is best suited to conduct the investigation. If any member of such team formed has a conflict of interest in any given case, then they will recuse themselves and the other members should deal with the matter at hand.
- 8.2 Mr. Vinoo George / the Committee may himself/itself at its discretion consider involving any Investigators for the purpose of investigation.
- 8.3 The decision to investigate taken by the Whistle Officer- Mr. Vinoo George / the Committee is by itself not an accusation and will be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of Whistleblower that an improper or unethical act was committed.
- 8.4 All Employees shall have a duty to co-operate with the Whistle Officer-Mr. Vinoo George / the Committee during investigation. Whistleblowers shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- 8.5 All Employees 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 any Employee.
- 8.6 Unless there are compelling reasons not to do so, a Subject 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. A Subject shall have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the investigation process.
- 8.7 Everyone involved in the investigation process shall maintain complete confidentiality of the case, during and after the completion of the same. The identity of the Subject shall be kept confidential to the extent possible, given the legitimate needs of the investigation.
- 8.8 Depending on the prevailing circumstances, availability of data and other factors relevant to the Protected Disclosure made, the Company shall provide the Whistleblower with feedback, as appropriate, on the progress and expected timeframes of the investigation.

8.9 The investigation shall normally be completed within 90 days of the receipt of the Protected Disclosure, and the said time period is extendable by General Counsel of the Company (in consultation with the Chairman of the Committee or board, wherever required).

**9 Investigators**

9.1 Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Committee when acting within the course and scope of their investigation.

9.2 Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased, both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of high legal and professional standards.

9.3 Investigations will be launched only after a preliminary review which establishes that:

- a. the alleged act constitutes an improper or unethical activity or conduct, and
- b. allegation is supported by information specific enough to be investigated.

**10 Decision and Reporting**

10.1 If an investigation leads to a conclusion that an improper or unethical act has been committed, the investigation team shall make recommendations for appropriate Disciplinary Action as it may deem fit. Any Disciplinary Action initiated against the Subject, as a result of the findings of an investigation pursuant to this Policy, shall adhere to the applicable disciplinary procedures established by the Company.

10.2 The investigation shall be deemed as closed upon conclusion of the inquiry and implementation of recommended Disciplinary Action, if any, which may include recovery proceedings, initiation of legal proceedings, or reporting as required by the Company's policies.

10.3 A quarterly report of total complaints received, summary of the findings and the corrective actions taken under the Policy and their outcome shall be placed before the Committee.

**11 Confidentiality**

11.1 The Complainant, Subject, Whistle Officer, Mr. Vinoo George / members of the Committee and every officer of the Company tasked with investigation shall maintain confidentiality of all matters under this Policy; the same only to the extent or with those persons as required under this Policy for completing the process of investigations or as required for the purposes of complying with applicable laws; and keep all related documents/papers in safe custody.

11.2 All reports and records associated with Disclosures are considered confidential information and access to the same will be restricted. 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.

## **12 Protection**

- 12.1 No unfair treatment will be meted out to/tolerated against a Whistleblower on account of them having reported a Protected Disclosure under this Policy. The Company has a zero-tolerance policy for any kind of discrimination, harassment, victimization, retaliation or any other unfair employment practice being adopted against Whistleblowers, and any such act shall be met with strict Disciplinary Action. Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower's right to continue to perform his duties/functions including making further Protected Disclosure(s).
- 12.2 If the Whistleblower or any Employee assisting with the investigation faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure, the Whistle Officers the Committee should be informed in writing immediately.
- 12.3 The identity of the Whistleblower 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 Whistleblower.
- 12.4 While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment, any abuse of the mechanism and/or *malafide* complaint under this Policy will warrant strict Disciplinary Action. Protection under this Policy would not mean protection from disciplinary action in accordance with the rules, procedures and policies of the Company arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a *mala fide* intention. This will also apply to any Employees, who make false statements or give false evidence during the investigations.

## **13 Access to Reports and Documents Retention of Documents**

**All reports and records associated with the “Protected Disclosures” are considered confidential information and access will be restricted to Mr. Vinoo George/the Committee. “Protected Disclosures” and any resulting investigations, reports or resulting actions will not be disclosed except as required by any legal requirements or regulations.**

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 05 (five) years.

## **14 Communication**

The Directors and the Employees shall be informed of the Policy by publishing on the website of the Company. The Vigil Mechanism would also be forming part of the Board Report.

### **Amendment and Review**

Subject to applicable laws, the Board may amend, suspend or rescind this Policy at any time. Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and any applicable law, such applicable law in force, shall prevail over this Policy.