
VIGIL MECHANISM (WHISTLE BLOWER POLICY)

ADILAKSHMI ENTERPRISES LIMITED

REGD. OFFICE: H.NO. 3-5-1089/12, OPP YMCA, NARAYANGUDA, HYDERABAD,
TELANGANA-500029
CIN: L25209TG1978PLC002334

PREFACE

As per Section 177 (9) of the Companies Act, 2013, the Company is required to establish a vigil mechanism for the directors and employees to report genuine concerns or grievances related to the matters as set out in this policy.

In terms of Regulation 4(2)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), it is mandatory for all listed companies to devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

Further, Regulation 22 of SEBI LODR provides for all listed entities to formulate a vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism should provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

Adilakshmi Enterprises Limited (“Company”) is committed to conduct its business in accordance with applicable laws, rules and regulations with full disclosures. The purpose of this mechanism is to eliminate and help to prevent malpractices, to investigate and resolve complaints, take appropriate action to safeguard the interests of the Company and to ensure that any person reporting a genuine concern or grievance is protected, while at the same time actively discouraging frivolous and insubstantial complaints.

POLICY OBJECTIVE

The Vigil Mechanism (whistle blower) aims to provide a channel to the Directors and employees to report genuine concerns about unethical practices, actual or suspected fraud or violation of the Code of Conduct.

The Company encourages its employees who have genuine concerns about undesirable activities including any fraudulent, illegal, unethical practices or activities, to come forward and express these concerns without fear of punishment or unfair treatment.

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 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.

DEFINITIONS

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of SEBI LODR.

“Board” means the Board of Directors of the Company.

“Company” means Adilakshmi Enterprises Limited.

“Disciplinary action” means any action that can be taken on the completion of/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 the Company (whether working in India or abroad), including the directors in the employment of the Company.

“Protected Disclosure” means any communication made in good faith by the whistle blower that discloses or demonstrates information that may indicate evidence towards unethical or improper activity.

“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.

“Whistle Blower” means an Employee or Director who makes a Protected Disclosure under this Policy and also referred in this policy as Complainant.

“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 Whistle Blower the result thereof.

SCOPE

The Policy covers disclosures of any unethical or improper practices and events which take place or are suspected to have taken place, including but not limited to:

- Breach of the Company’s Code of Conduct
- Breach of business Integrity and Ethics
- Intentional financial irregularities, including fraud, or suspected fraud.
- Deliberate violation of laws/regulations
- Willful negligence causing substantial and specific danger to health, safety and environment

- Manipulation of company data/records
- Pilferage of confidential/propriety information
- Misappropriation of Company's funds/assets
- Any other biased favoured, imprudent activity on account of which the interest of the company is affected.

ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosure(s) under the Policy in relation to matters concerning the Company.

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.

PROCEDURE

- Protected Disclosures should be reported in writing by the complainant as soon as possible but not later than 30 days after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.
- The Protected Disclosure should be submitted in a closed and secured envelope and should be super-scribed as "Protected disclosure under the Whistle Blower policy". If the complaint is not super-scribed as mentioned above and not submitted in a closed and secured envelope, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as a normal disclosure. In order to protect identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the Complainant and the Complainants are advised neither to write the name / address of the Complainant on the envelope nor to enter into any further correspondence with the Vigilance Officer/Audit Committee. The Audit Committee assures that in case any further clarification is required he will get in touch with the complainant.

- Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.
- All Protected Disclosures should be addressed to the Vigilance officer of the Company. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- Protected Disclosure against the Vigilance officer/Managing Director of the Company should be addressed to the Chairman of the Audit Committee. If protected disclosure is against the any of the members of the Committee in a given case, the others on the committee would deal with the matter on hand.
- The Contact details of the Chairman of Audit Committee and of the Vigilance Officer of the Company, are provided as under:

Name and Address of Vigilance Officer :

Smt. Kalpana Seth

Director

Adilakshmi Enterprises Limited

KLJ House, 8A, Shivaji Marg, Najafgarh Road,

New Delhi- 110015

Email- kalpana@kljindia.com

Name and Address of Chairman of the Audit Committee:

Sh. Laxmi Pat Bhutoria

Adilakshmi Enterprises Limited

KLJ House, 8A, Shivaji Marg, Najafgarh Road,

New Delhi- 110015

Email- bhutoria.klj1@gmail.com

- On receipt of the Protected Disclosure, the Vigilance Officer shall make a record of the Protected Disclosure and also ascertain from the Complainant whether he was the person who made the protected disclosure or not before referring the matter to the Audit Committee for further appropriate investigation and needful action. The Audit Committee if deems fit may call for further information or particulars from the complainant.
- If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Vigilance officer, the same should be forwarded to the Company's

Vigilance officer, or the Chairman of Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.

- Protected disclosures should be factual and not speculative or in the nature of a conclusion and should contain as such specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

INVESTIGATION

- All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other officer of the Company/ 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.
- Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- Subjects(s) shall have a duty to co-operate with the Audit Committee or any other officers appointed by it in this regard to the extent that such cooperation will not compromise self incrimination protections available under the applicable laws.
- Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- Subject(s) have a right to be informed of the outcome of the investigations.
- 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.
- The Whistle Blower shall have right to access to the 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.

DECISION AND REPORTING

- If an investigation leads to a conclusion that an improper or unethical act has been committed, the Audit Committee along with its recommendations will report its findings to the Board of Directors of the Company through the Vigilance officer within 15 days of receipt of report, for further action as deemed fit. In case prima facie case exists against the subject, then the Board of Directors of the Company shall take appropriate action in this regard or shall close the matter, for which the Vigilance officer shall record the reasons. Copy of the decision shall be addressed to the Audit Committee, the Vigilance officer, the Complainant and the subject.
- A complainant who makes false allegations of unethical and 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.

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 victimization 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.

SECRECY AND CONFIDENTIALITY

The Whistle Blower, the Investigation Subject, the members of Audit Committee and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
- b. not discuss the matter in any informal/social gatherings/meetings
- c. discuss only to the extent or with the persons 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 action

as is considered fit.

DISCLOSURE IN ANNUAL REPORT

The details of establishment of Vigil Mechanism/Whistle Blower Policy shall be disclosed by the Company in its Annual Report.

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 3 (three) years or such other period as specified by any other law in force, whichever is more.

REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.