



VADILAL INDUSTRIES LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR EMPLOYEES OF THE COMPANY

29/05/2014

Introduction :

Vadilal Industries Limited (hereinafter referred to as “**the Company**”) recognizes the value of transparency and accountability in its administrative and management practices. As a Public Limited and Listed Company, the integrity in the financial matters of the Company and the accuracy of its financial information is of paramount importance. The Company’s financial information guides the decisions of the Board of Directors of the Company (Board). The Shareholders of the Company and the financial markets rely on this information to make decisions.

For these reasons, the Company must maintain a workplace where it can retain and treat all complaints concerning serious misconduct or wrongful activities. The employees should be able to raise these concerns free of any discrimination, retaliation or harassment.

Policy :

The Whistle Blower Policy is a policy of the Company to encourage employees, when they reasonably believe that serious misconduct or wrongful activities have occurred or are occurring, to report them to the Company’s management (on an anonymous basis, if employees so desire) as described below.

All reports will be taken seriously and will be promptly investigated. The specific action taken in any particular case depends on the nature and gravity of the conduct or circumstances reported, and the quality of the information provided. Where serious misconduct has occurred, those matters will be corrected and, if appropriate, the persons responsible will be disciplined.

Serious Misconduct or wrongful activities :

The following actions or activities may be considered as “Serious Misconduct or Wrongful Activities ” :

- conduct which results in violation of law by the Company,
- substantial mismanagement of Company resources,
- unethical behaviour,
- Misappropriation of Company’s Funds,
- actual or suspected fraud,
- violation of the Company’s Code of Conduct or ethics policy,
- questionable accounting practices,
- a substantial or specific danger to public health or safety,
- an abuse of authority,
- internal accounting controls or auditing matters.
- Sexual Harassment

Applicability :

This Whistle Blower policy is applicable to all employees, including full time consultants, retainers and job-work employees of the Company irrespective of any grade/category/designation/Gender.

Reporting :

Any employee who has sufficient reasons to believe that any act of serious misconduct or wrongful activity has occurred or is occurring within the organisation, he may immediately report the same to his immediate HOD or the HR Head or directly to the concerned Managing Director of the Company, as he may desire.

While making aforesaid report of alleged misconduct, he must provide sufficient grounds or evidence, if any, in support of his report, to the satisfaction of the concerned HOD or Managing Director, as the case may be.

The said report of alleged misconduct may be made in any of the following manner:

1. By making an Oral Report,
2. By sending a written report (on an anonymous basis, if employee so desire),
3. By sending email to his HOD or the concerned Managing Director.

If, for any reason, the concerned employee does not feel comfortable in discussing the matter with either his HOD or HR Head or the concerned Managing Director, he may bring the matter to the attention of the Audit Committee of the Company.

Timing :

It is imperative that the employee brings such type of the matters to the Company's attention promptly, so that Company can take proper actions against the same.

Investigation :

All complaints under this policy will be promptly and thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.

All employees and supervisors have a duty to co-operate in the investigation of reports of such serious misconduct. In addition, an employee shall be subject to disciplinary action, including the termination of their employment, if the employee fails to co-operate in an investigation or hides any material information or deliberately provides false information during an investigation.

If, at the conclusion of its investigation, the Company determines that a violation of policy has occurred, the Company will take effective remedial action commensurate with the severity of the offence. This action may include disciplinary action against the accused party, upto and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of policy.

Discrimination, Retaliation or Harassment :

The Company strictly prohibits any discrimination, retaliation or harassment against any person who reports incidents of such serious misconduct, based on the person's reasonable belief that such misconduct occurred. The Company also strictly prohibits any discrimination, retaliation or harassment against any person who participates in an investigation of complaints about such serious misconduct.

Any complaint that any managers, supervisors, or employees are involved in discrimination, retaliation or harassment related to the reporting or investigation of serious misconduct, shall

be promptly and thoroughly investigated in accordance with the Company's investigation procedures. If a complaint of discrimination, retaliation or harassment is substantiated, appropriate disciplinary actions, up to and including discharge, will be taken.

Retention of Documents :

All documents related to the reporting, investigation and enforcement of this policy, as a result of a report of serious misconduct, or of the discrimination, retaliation or harassment of an employee that made such a report, shall be kept in accordance with the Company's record retention policy and applicable law.

Confidentiality :

The Company ensures that the information regarding the employee who has reported about the suspected misconduct will be kept confidential by the Company at any point of time. The Company further ensures that the information regarding employee who has participated in the investigation or provided material information during the course of investigation will be kept confidential by the Company, at any point of time.

False or Malafide allegation :

An employee who knowingly makes false or malafide allegations of unethical & improper practices or alleged wrongful conduct to the HOD or the concerned Managing Director or the Audit Committee shall be subject to disciplinary action, up to and including termination of employment, as the competent authority may deem fit.

Additional Enforcement Information :

The Company's policies and practices have been developed as a guide to our legal and ethical responsibilities to achieve and maintain the highest business standards. Conduct that violates the Company's policies will be viewed as unacceptable under the terms of employment at the Company. Certain violations of the Company's policies and practices could even subject the Company and any individual employees involved to civil and criminal penalties.

Modification in the policy :

The Audit Committee or the Board of Directors of the Company can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with laws and regulations and / or accommodation organizational changes within the Company.

Acknowledgment and agreement regarding the Whistle Blower Policy :

This is to acknowledge that I have received a copy of the Company's Whistle Blower Policy. I declare and certify that I have read out the policy and duly understood the provisions contained in the policy :

Employee Name _____

Designation _____

Department _____

Employee No. _____

Signature _____

Date _____