

VIGIL MECHANISM / WHISTLE BLOWER POLICY

of

KERALA AYURVEDA LIMITED

1. PREAMBLE

Section 177 read with Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and Chapter II, Regulation 4(2)(d) (iv) of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, inter-alia, provides, a mandatory requirement, for all listed companies to establish a mechanism called “Vigil Mechanism(Whistle Blower Policy)” for directors, stakeholders, employees and their representative Bodies to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who avail of the mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The Audit Committee will review the functioning of the Whistle Blower Mechanism.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel (“the Code”), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. It is one of the duty of the independent directors to ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

In compliance of the above requirements, Kerala Ayurveda Ltd (KAL) being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism. Vigil mechanism will be overseen through the audit committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

In case of repeated frivolous complaints being filed, the audit committee may take suitable action against the concerned including reprimand.

2. OBJECTIVES:

- a) This policy is to provide a framework to promote responsible and secure whistle blowing. It protects directors, stakeholders, employees and their representative Bodies wishing to raise a concern about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and about serious irregularities within the Company.

- b) The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its directors, stakeholders, employees and their representative Bodies who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
- c) The mechanism provides for adequate safeguards against victimization of directors, stakeholders, employees and their representative Bodies to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- d) 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.

3. DEFINITIONS

“Whistle Blower” is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

“Director” means a Director on the board of the Company whether whole-time or otherwise.

“Employee” means every employee of the Company.

“Protected Disclosure” means a written communication of a concern made in good faith which discloses or demonstrates information that may evidence an unethical or improper activity under the title “COVERAGE OF THE POLICY” with respect to the Company. It should be factual and not speculative .

“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.

“Vigilance Officer /Vigilance Committee or Committee ” is a person or Committee of persons, nominated/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.

4. COVERAGE OF THE POLICY

- A. The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:
 - a) Breach of the Company’s Code of Conduct /policy
 - b) Breach of Business Integrity and Ethics
 - c) Wastage/misappropriation of company funds/assets
 - d) Abuse of authority
 - e) Manipulation of company data/records

- f) Breach of contract
- g) Intentional Financial irregularities, including fraud, or suspected fraud
- h) Deliberate violation of laws/regulations
- i) Gross or Wilful Negligence causing substantial and specific danger to health, safety and environment
- j) Manipulation of company data/records
- k) Pilferation of confidential/propriety information
- l) Any other unethical, biased, favoured, imprudent event

B. Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

5. **ELIGIBILITY**

All directors, stakeholders, employees and their representative Bodies of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

6. **PROCEDURE**

- a) All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 consecutive days after becoming aware of the same and should either be typed or written in a legible handwriting in English.
- b) 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 email with the subject “Protected disclosure under the Whistle Blower policy”. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure. 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 are as under:

Name : Mr.K.Raghunadhan
Company Secretary & Compliance Officer

Address: Kerala Ayurveda Limited
VII/415, Nedumbassery, Athani PO
Aluva 683585

- c) In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.
- d) Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.
- e) On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

- f) If initial enquiries by the Vigilance Officer indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the decision is documented.
- g) Where initial enquiries indicate that further investigation is necessary, The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.
 - I. The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other /additional Officer of the Company and/or Committee and/ 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. 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. Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern/interest forthwith and shall not deal with the matter.
 - II. 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 would be made.

7. DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit. Any disciplinary or corrective action initiated against the Subject 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. A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

A complainant who makes false allegations of unethical & 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.

8. CONFIDENTIALITY

The complainant, Vigilance Officer, Members of Board, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

9. 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 victimisation 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.

10. 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.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

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 suitable directions in this regard.

12. COMMUNICATION

Directors, stakeholders, employees and their representative Bodies shall be informed of the Policy by publishing on the notice board and the website of the Company.

13. 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.

14. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the directors, stakeholders, employees and their representative Bodies unless the same is notified to them.