

ADMACH SYSTEMS LIMITED

CIN: U29299PN2008PLC131530

**Registered Office: SURVEY NO 122 SANAS NAGAR- NANDOSHI, OFF PUNE SINHAGAD ROAD,
TALUKA HAVELI, PUNE, MAHARASHTRA, INDIA, 411024 (MH)**

VIGIL MECHANISM /WHISTLE BLOWER POLICY

ADMACH SYSTEMS LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. BACKGROUND

- a) Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of Companies, as may be prescribed to establish a Vigil Mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a Vigil 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.
- b) Pursuant to the provisions of Section 177 (9) & (10) of the Company Act 2013 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has set up and adopted the following Vigil Mechanism which lays down the principles and standards governing the management of grievances and concerns of employees and directors of the Company and shall be over seen by the Audit Committee (hereinafter referred to as 'Committee') of the Company. The Mechanism as set up herein-below shall enable the employees and the directors of the Company to report their genuine concerns or grievances about the actual and potential violation of the principles and standards laid down herein.

2. POLICY

In compliance of the above requirements, Admach Systems Limited, being a proposed to be 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.

3. POLICY OBJECTIVES

- a) The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy.
- 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 employees 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 and employees 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.

4. DEFINITIONS

"Alleged wrongful conduct" shall mean violation of law, infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

"Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with the guidelines of Listing Regulation and Companies Act, 2013.

"Board" means the Board of Directors of the Company.

"Company" means the Admach Systems Limited

"Employee" means all the present employees (including Contract Employees on Contractual Basis) and Managing / Whole Time / Executive Directors of the Company whole time Directors of the Company whether working in India or abroad.

"Vigilance Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not gossip/speculative or in the nature of hear says and should contain to the point information for its appropriate assessment / review.

"Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

"Subject" means the person against whom the complaint is made.

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

5. SCOPE

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company's rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activities on account of which the interest of the Company is affected.

However the mechanism does not release the employees from their duty of confidentiality in the course of their work and nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

6. ELIGIBILITY

All Directors/Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

7. REPORTING OF PROTECTED DISCLOSURES

All employees of the company are eligible to make protected disclosures under the policy in relation to matters concerning the company. The Company does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing. This Policy ensures that employees are empowered to pro-actively bring to light such instances without fear of reprisal, discrimination or adverse employment consequences.

This Policy is not, however, intended to question financial or business decisions taken by the Company that are not Protected Disclosures nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. This policy shall not be used:

- i. For raising grievances related to employees' own career / other personal grievances.
- ii. For raising grievances related to career of other employees / colleagues.
- iii. Grievances arising out of the policies / procedures of the Company and any decision taken by the superior / management in this respect.
- iv. Grievances related to such other similar issues like i, ii and iii hereinabove.

All Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised.

To make more effective and controlled mechanism, employees can lodge a Protected Disclosure to the Chairman's Office in any one of the following ways:

- i. By sending an email to admach@admach.co.in with the subject "Protected Disclosure under the Whistle Blower Policy".
- ii. By sending letter in a closed and secured envelop and super scribed as "Protected Disclosure under the Whistle Blower Policy" to the Survey No 122 Sanas Nagar- Nandoshi Off Pune Sinhgad Road Taluka Haveli, Pune, MH, IN, 411024. Letter should either be typed or written in a legible handwriting in English or Hindi or Marathi.

However, employees can lodge a Protected Disclosure anonymously without disclosing the identity. A protected disclosure received anonymously will be evaluated by the Company for investigation. In exercising this discretion, the following factors will be taken into consideration:

- i. The seriousness of the issue raised;
- ii. The creditability of the concern; and
- iii. The likelihood of confirming the allegations from attributable sources.

All Protected Disclosures should be reported in writing by the complainant as soon as possible, after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.

All Protected Disclosures should be addressed to the Whistle and Ethics Officer of the Company or to the Chairman of the Audit Committee or Managing Director in exceptional cases. The contact details of the Whistle/Vigilance Officer are as under:-

Mr. Ajay Chamanlal Longani

Chairman and Managing Director

Admach Systems Limited

Survey No 122 Sanas Nagar- Nandoshi off Pune
Sinhgad Road Taluka Haveli, Pune, MH, IN, 411024
Email ID : ajay@admach.co.in
Mobile No: 7020909020

Mr. Abhishek Singh

Independent Director and Chairman of Audit Committee

Admach Systems Limited

Survey No 122 Sanas Nagar- Nandoshi off Pune
Sinhgad Road Taluka Haveli, Pune, MH, IN, 411024
Mail Id: admach@admach.co.in
Phone: +91 7020909040

Mr. Aniruddha Deshmukh

Company Secretary and Compliance Officer

Admach Systems Limited

Survey No 122 Sanas Nagar- Nandoshi off Pune
Sinhgad Road Taluka Haveli, Pune, MH, IN, 411024
Email ID: csadmach@admach.co.in
Mobile No: 8983074510

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.

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.

While this Policy is intended to protect genuine Whistle Blowers from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with mala

fide intentions is strictly prohibited. An employee who makes complaints with mala fide intentions and which is subsequently found to be false will be subject to strict disciplinary action.

The Whistle blower's role is that of a reporting party. Whistle blowers are not investigators or finders of facts; neither can they determine the appropriate corrective or remedial action that may be warranted.

Although a Whistle blower is not required to furnish any more information than what he/she wishes to disclose, it is essential for the Company to have all critical information in order to enable the Company to effectively evaluate and investigate the complaint. It is difficult for the Company to proceed with an investigation on a complaint, which does not contain all the critical information such as the specific charge. The complaint or disclosure must therefore provide as much detail and be as specific as possible in order to facilitate the investigation as well as to allow proper assessment of the nature and extent of the concern and the urgency in conducting preliminary investigation, as required.

To the extent possible, the complaint or disclosure must include the following:

1. The employee, and/or outside party or parties involved;
2. The sector of the Company where it happened (Location, Department, office);
3. When did it happen: a date or a period or time;
4. Type of concern (what happened);
 - Financial reporting;
 - Legal matter;
 - Management action;
 - Employee misconduct; and/or
 - Health & safety and environmental issues.
5. Submit proof or identify where proof can be found, if possible;
6. Who to contact for more information, if possible; and/or
7. Prior efforts to address the problem, if any.

8. RECEIPT, INVESTIGATION AND DISPOSAL OF PROTECTED DISCLOSURES

On receipt of the Protected Disclosure, the Vigilance and Ethics Officer or Whistle Officer as given above, as the case may be, 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. He shall also carry out initial investigation either himself or by involving any other Officer of the Company before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

1. Brief facts;
2. Whether the same Protected Disclosure was raised previously by anyone on the subject, and if so, the outcome thereof;
3. Details of actions taken by the Vigilance and Ethics Officer / the Chairman of the Audit Committee processing the complaint
4. Findings and recommendations.

Ethics Officer or Whistle Officer / the Chairman of the Audit Committee, if deems fit, may call for further information or particulars from Vigilance and Ethics Officer or complainant, as the case may be.

9. INVESTIGATION

The decision to conduct an investigation is by itself not 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. He shall have a duty to co-operate with the Vigilance and Ethics Officer / the Chairman of the Audit Committee or any of the Officers appointed by it in this regard and shall be subject to strict disciplinary action up to and including immediate dismissal, if they fail to cooperate in an investigation, or deliberately provide false information during an investigation.

Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower. He has 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 him.

Unless there are compelling reasons not to do so, he will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against him shall be considered as maintainable unless there is good evidence in support of the allegation. He has a right to be informed of the outcome of the investigations. If allegations are not sustained, he should be consulted as to whether public disclosure of the investigation results would be in the best interest of him and the Company.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Vigilance and Ethics Officer / Chairman of the Audit Committee deems fit.

All information disclosed during the course of the investigation will remain confidential, except as necessary or appropriate to conduct the investigation and take any remedial action, in accordance with any applicable laws and regulations. The Company reserves the right to refer any concerns or complaints regarding Protected Disclosure to appropriate external regulatory authorities.

10. DISPOSAL

If an investigation leads the Vigilance and Ethics Officer/ the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer/ the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action commensurate with the severity of the offence, as it may deem fit. The Vigilance and Ethics Officer/ the Chairman of the Audit Committee, as the case may be, shall forward his copy of the report/findings to the Chairman's Office. The company may also take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made. It is clarified that 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.

The Vigilance and Ethics Officer shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance and Ethics Officer or Chairman of the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

11. PROTECTION

No Personnel who, in good faith, makes a disclosure or lodges a complaint in accordance with this Policy shall suffer reprisal, discrimination or adverse employment consequences.

Accordingly, the Company prohibits discrimination, retaliation or harassment of any kind against a Whistle bower, who based on his/her reasonable belief that one or more Protected Disclosure has occurred or are, occurring, reports that information. Any employee, who retaliates against a Whistle bower who has raised a Protected Disclosure or Complaint in good faith, will be subject to strict disciplinary action up to and including immediate termination of employment or termination of his/her relationship with the Company.

If any employee, who makes a disclosure in good faith, believes that he/she is being subjected to discrimination, retaliation or harassment for having made a report under this Policy, he/she must immediately report those facts to his/her supervisor, manager or point of contact. If, for any reason, he/she do not feel comfortable discussing the matter with these persons, he/she should bring the matter to the attention of the Chairman's office, Vigilance and Ethics Officer or The Chairman of the Audit Committee in exceptional cases. It is imperative that such employee brings the matter to the

Company's attention promptly so that any concern of reprisal, discrimination or adverse employment consequences can be investigated and addressed promptly and appropriately.

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.

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. RETENTION OF DOCUMENTS

The Vigilance and Ethics Officer shall maintain documentation of all Protected Disclosures or reports subject to this Policy. The documentation shall include any written submissions provided by the complainant, any other Company documents identified in the complaint or by the Vigilance and Ethics Officer / the Chairman of the Audit Committee as relevant to the complaint, a summary of the date and manner in which the complaint was received and any response to the complainant. All such documentation shall be retained by the Vigilance and Ethics Officer for a minimum of five (5) years or such other period as specified by any other law in force, whichever is more, from the date of receipt of the complaint. Confidentiality will be maintained to the extent reasonably practicable depending on the requirements and nature of the investigation, as indicated above.

13. AMENDMENT TO THIS POLICY

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.