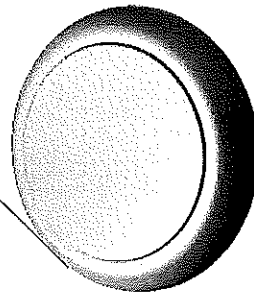


Aarti Pharmalabs Limited



**Vigil
Mechanism
Policy**

Compliance Department

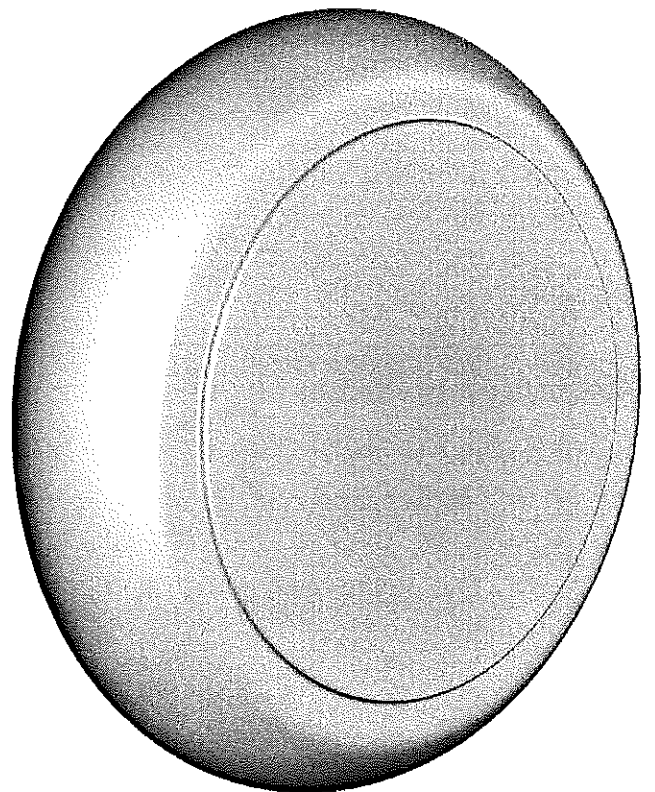


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Policy effective from: January 30, 2023

1. INTRODUCTION

Section 177 of the Companies Act, 2013 ('Act') and Regulation 22 read with Regulation 4(2)(d)(iv) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), provides for formulation of Whistle Blower Policy / Vigil Mechanism ('Policy') for the directors and employees to report genuine concerns or grievances.

The Policy is required to provide for adequate safeguards against victimization of directors or employees or any other persons who avail such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in appropriate or exceptional cases.

Aarti Pharmalabs Limited ('APL/ 'The Company') formulates a policy (not only for its directors and employees but also for its stakeholders including suppliers, customers and other business associates.

2. OBJECTIVE

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To achieve and maintain these standards, the Company shall provide its Directors, Employees, and Stakeholders an avenue to raise concerns.

The Policy aims to ensure that concerns raised are appropriately investigated and addressed by attempting to:

1. Define the process for lodging a complaint
2. Define the various committees / teams and their roles in implementing the Policy.
3. Outline the process of investigation and review
4. Outline measures to protect disclosing employees against reprisal or retaliatory action within the Company.

3. SCOPE

This Policy intends to cover serious concerns that could have severe impact on the operations and performance of the business of the Company, like malpractices and events which have taken place/ suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of the Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matter or activity on account of which the interest of the Company is affected and which are formally reported by Whistle Blowers.

This Policy also intends to provide Whistleblower mechanism as well as process for investigation into leak/ suspected leak of Unpublished Price Sensitive Information as contained in the Code on Prohibition of Insider Trading of the Company, framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

4. APPLICABILITY

This Policy is applicable to All Employees/stakeholders/Directors of the Company are eligible to make Protected Disclosures/grievances under the Policy.

5. DEFINITIONS

A. "Employee" means every employee of the Company (whether working in India or abroad), and for the purpose of this policy may include individuals engaged through contractors.

B. "Ethics Committee" means a committee consisting of:

- Head of Human Resource
- Head of EHS/operations
- Chief Financial officer
- Company Secretary and
- Other senior employees as time to time nominated by the Board of Directors.

or any other person or committee constituted for this purpose as deemed by the management.

The Company can, at its discretion, change the structure of the Committee or the Committee members as it deems fit at any given point of time. In the event of any suspected disclosure against any of the committee members, the alleged committee member shall be replaced with appointment of a new committee member by the chairperson of the committee.

The committee is required to meet at least once in a quarter and review the complaints received during the previous quarter.

C. "Ethics Officer" means a person nominated by the Board of Directors to carry out the duties of Ethics Officer including receiving of grievances, Protected Disclosure from Whistle Blowers, maintaining record thereof, placing the same before the Ethics disposal and submitting the periodical reports to the Audit Committee.

D. "Investigation Panel" means the panel constituted by the Ethics Committee, on a case to case basis, consisting of a requisite number of members (which may/ may not include employees of the Company).

E. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.

F. "Qualifying disclosure" means Complaints made by the employees, stakeholder or others

in accordance with the scope and coverage of the policy

- G. "Respondent" means an individual(s), department(s) or organization against whom the complaint is made.
- H. "Subject"/ "Respondents" means a person or a group of persons against or in relation to whom a Protected Disclosure / grievance has been made or evidence gathered during the course of an Investigation.
- I. "Unpublished Price Sensitive Information" means such information as defined under the code on Prohibition of Insider Trading of the Company.
- J. "Whistle Blower"/ "Complainant": means an Employee / stakeholder making a Protected Disclosure / registering a complaint/ grievance under this Policy.

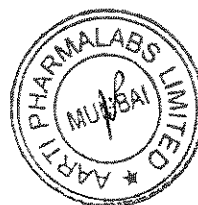
6. COVERAGE OF POLICY

The policy covers malpractices and events which have taken place / suspected to have taken place including but not limited to the following:

- Any unlawful act whether civil or criminal
- Abuse of power or authority for any unauthorized or ulterior purpose
- Breach of Conduct;
- Violation/Breach of Company Rules/ Code of Conduct/Policies and Procedures;
- Financial Irregularities, including fraud or suspected fraud
- Pilferage/ theft of Confidential / Proprietary information/Customer data
- Manipulations of Company data/records;
- Embezzlement of Company's monies/ fund/assets;
- Leak of Unpublished Price Sensitive Information (UPSI)
- Knowingly breaching law of the land or regulation (such as AML, KYC etc)
- Bribery or corruption
- Failure to rectify or take reasonable steps to report a matter likely to give rise to significant and avoidable cost or loss to the Company
- Sexual Harassment
- Any harassment or unethical, biased or discriminatory event;
- and other matters or activity on account of which the interest and goodwill of the Company is affected and formally reported by whistle blower concerning its employees and Directors.

7. PENAL PROVISIONS

- 7.1 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.



7.2 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.

7.3 Whistle Blower, who makes Protected Disclosures/ grievances, which have been subsequently found to be mala fide, frivolous or malicious shall be liable

8. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

8.1 All Protected Disclosures must 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 clear understanding of the issues raised which either be typed or written in a legible handwriting preferably in English, Hindi or in the regional language.

8.2 The Protected Disclosure must be submitted in a closed and secured envelope and should be superscripted as "Protected Disclosure under the Whistle Blower Policy". Alternatively, the same can also be sent through email with the subject "Protected Disclosure under the Whistle Blower Policy". If the complaint is not superscripted and closed as mentioned above, it will not be possible to protect the Whistle Blower and the Protected Disclosure will be dealt with as if it is a normal disclosure.

In order to protect the identity of the Whistle Blower, the Ethics Officer will not issue any acknowledgement to the Whistle Blower. The Ethics Officer may seek further clarification, if required from the Whistle Blower.

8.3 All Protected Disclosures / grievances must be addressed to the Ethics Office of the Company. The contact details of Ethics officer of the Company is as under:

Name : Shri Sudhakar Shetty (Senior Manager – Human Resources)

Address : Aarti Pharmalabs Limited 204, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400 080.

Email Id : sudhakar.shetty@aartipharmalabs.com

8.4 Protected Disclosure against the Ethics Officer must be addressed to the Chairman of the Company and Protected Disclosures against the Chairman of the Company must be addressed to the Chairman of the Audit Committee:

Name of Chairman of Company: Shri Rashesh Chandrakant Gogri

Address : Aarti Pharmalabs Limited 204, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400 080.

Email Id : rashesh.gogri@aartipharmalabs.com

Name of Chairperson of Audit Committee: Shri Bhavesh Vora

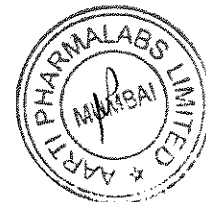
Address : Aarti Pharmalabs Limited 204, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai 400 080.

Email Id: bhavesh.vora@ailboard.com

8.5 Unless otherwise directed by the Ethics Committee the complaints or grievances lodged under this mechanism shall be dealt following the process as prescribed.

9. INVESTIGATION

- 9.1 All Protected Disclosures / grievances reported under this Policy will be thoroughly investigated by the Investigation Panel formed by the Ethics Committee. Investigation shall be launched only after a preliminary review by the Ethics Officer/ Committee and/or the Chairman of the Company and/or the Chairman of the Audit Committee.
- 9.2 In case of leak or suspected leak of Unpublished Price sensitive Information, the investigation shall be initiated on becoming aware about such leak or suspected leak, with or without any protected disclosures received from any whistle blower in this regard and Investigation panel shall be constituted immediately.
- 9.3 The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 9.4 The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible.
- 9.5 Subjects/Respondents will normally be informed of the allegations at the outset of a formal investigation and will be given opportunities for providing their inputs, as the case may be, during the investigation.
- 9.6 Subjects/Respondents shall have the duty to extend due cooperation during the Investigation Process.
- 9.7 Subjects shall have a right to consult with a person or persons of their choice, other than the Ethics Officer and/or Investigation Panel and/or members of the Ethics Committee and/or Chairman of the Company and/or Chairman of the Audit Committee and/or the Whistle Blower. They shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.
- 9.8 Subjects/Respondents 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 the Subjects.
- 9.9 Unless there are compelling reasons not to do so, Respondents will be given the opportunity to respond to material findings contained in an investigation report.



9.10 No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

9.11 The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure / grievance unless circumstances requires more time to be spent on the investigation process.

10. ACCESS TO THE CHAIRMAN OF THE AUDIT COMMITTEE

10.1 The Whistleblower shall have a direct access to the Chairman of the Audit Committee in appropriate or exceptional cases and the Chairman of the Audit Committee is authorised to prescribe suitable directions in this regard. Immediate, appropriate or exceptional cases shall be such cases that requires adequate safeguards against victimisation of employees, directors and stakeholders.

11. PROTECTION

11.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his / her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against the Whistle Blowers. A Complete protection will, therefore, be given to Whistle Blowers and employees assisting in investigation against any unfair practice.

12. INVESTIGATORS

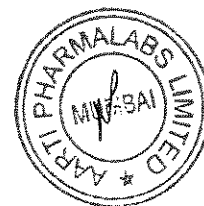
12.1 The Investigation Panel is required to conduct a process towards fact finding and analysis. Investigation Panel derives the authority and access rights from the Ethics Committee when acting within the course and scope of the investigation.

12.2 Technical and other resources may be drawn upon as necessary to augment the investigation. Investigation Panel shall be independent and unbiased both in fact and as perceived. Investigation Panel has a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards. The individual forming part of investigation panel is duty bound to disclose any interest, which may conflict with / affect the conduct of investigation process in an ethical manner and will strive not to be a part of the panel for the said investigation.

12.3 The Investigation Panel may conduct interviews of the parties or witnesses in person by email, telephone or similar means.

13. ROLE OF ETHICS COMMITTEE

13.1 To support in carrying out the preliminary review.



- 13.2 To identify the members, scope, reporting and timeline of investigation.
- 13.3 Ensure that the Investigation Panel has conducted the investigation in an unbiased and transparent manner.
- 13.4 Ensuring highest degree of ethical practices in Company's business and conduct.
- 13.5 Decide on the outcome of the investigation, whether an unethical or improper act has been committed.
- 13.6 Take suitable action against the subject on the basis of the observation of the Investigation Panel.
- 13.7 Preserve the protected disclosure, findings of facts, action taken report, evidences collected during the investigation process and outcome for a period of 7 years from the conclusion of the case.
- 13.8 To act as a single source guiding principle on a collective front thus enabling the Company to realize its larger organizational vision.
- 13.9 To roll out the policy and ensure implementation of the same.
- 13.10 To nurture a culture of freedom to approach ethics committee, designated officers under this Policy and to ensure implementation in true spirit.
- 13.11 To constitute / reconstitute sub ethics committee for business segments /zone/plant/location as it may consider appropriate, which shall act in accordance with the directions of Ethics Committee. The sub ethics committee shall be constituted with the approval of the Chairman / Managing Directors of the Company.
- 13.12 To carry on such other roles or discharge functions as may delegated by the Finance and Investment Committee.
- 13.13 The Ethics officer/ Committee shall inform the Whistle Blower of the outcome of the investigation, either in person or in writing as appropriate, considering the interest of the organization

14. DECISION

- 14.1 All final decisions of the Investigation Panel shall be recorded by the Ethics Committee in the form of a written report. The reports content and subsequent disposition of the



reports by the Investigation Panel depends on whether or not the decision calls for a disciplinary action.

14.2 If an investigation leads the Ethics Officer and /or the Chairman of the Company and /or Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, they shall recommend to the Ethics Committee of the Company to take such disciplinary or corrective action as the Ethics Committee may deem fit which may include but shall not be restricted to; Issuance of Letter of Warning, Suspension/ Termination from the employment, Change in Job/ function/ Location/ Grade/ Privileges.

14.3 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

15. SECRECY/ CONFIDENTIALITY

The Whistle Blower, Ethics Officer, Member of Ethics Committee / Sub Ethics Committee, the Investigation Panel, Chairman of the Company, Chairman of the Audit Committee, the subject and everybody involved in the process shall :

- i. Maintain confidentiality of all matters under this Policy
- ii. Discuss only to the extent or with those persons as required under this Policy for completing the process of investigation.
- iii. Not keep the papers unattended anywhere at any time.
- iv. Keep the electronics mails/files with adequate protection.

16. REPORTING

16.1 A report in the format as mentioned in "Annexure A" stating description of protected disclosure/ grievance, investigation results and measures taken by the Ethics Committee shall be placed before the Audit Committee on a quarterly basis.

16.2 In case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive the Board shall be intimated promptly of such leaks, inquiries/ investigation and results of such inquiries/investigation.

17. ADMINISTRATION AND REVIEW OF THE POLICY

17.1 The Finance and Investment Committee and /or Ethics Committee shall be responsible for the administration, interpretation, application and review of this Policy as the case maybe.

18. AMENDMENT

18.1 Statutory Updates This Policy shall be considered as updated automatically, without any



formal approval, to the extent it needs to be aligned with any change in law. An update thereon would be reported to the Audit Committee and Board of Directors.

18.2 Other updates

All major procedural updates shall be effective only, if those are carried out after the review and approval of the Board of Directors based on Audit Committee's recommendations.



Report of Ethics Committee pursuant to Vigil Mechanism/Whistle Blower Policy

To
Audit Committee

Pursuant to Clause 16 of the Vigil Mechanism/Whistle Blower policy, following is the report of the Ethics Committee for the quarter ended _____.

Sr. No.	Subject of the Investigation	Brief Description of Grievance/ Protected Disclosure	Date of receipt of Grievance/ Protected Disclosure	Date of completion of investigation	Investigation Result	Date of the Meeting in which actions were taken	Action Taken

For Ethics Committee

Chairman

Date:

Place:

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