

## **WHISTLE BLOWER POLICY**

### **Introduction:**

Aether Industries Limited (referred to as 'Company') is mainly engaged in business of manufacturing basic cum specialty chemicals along with research and development activities.

Company values integrity, commitment, standards and ethics and also believes that such principles and standards govern the behavior of the Company and its' employees. High moral and ethics are always essential for long term achievements and vision of the Company. Towards this objective, the Company has adopted this Code of Conduct (the "Code") which lays down the principles and standards which would govern the actions of and its employees. The Code provides for the company to have a Whistle Blower policy so that any potential violation of the Code should be taken up most seriously and appropriate steps should be taken by the management. With the enactment of Companies Act, 2013 read with the applicable Rules, and Regulations 4(2)(d)(iv) and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (the "SEBI Listing Regulations") as amended from time to time, is required to establish a vigil mechanism, by way of a formal Whistle Blower Policy. Under this policy, employees and directors are to report to the management, instances of unethical behaviour, actual or suspected, fraud, illegal activities or violation of the Code of Conduct. Accordingly, this Whistle Blower Policy (the Policy) has been formulated with a view to provide a mechanism for stakeholders, including employees of, to approach Internal Auditor or Chairman of the Audit Committee of the Company in any such event.

This Policy neither releases Directors and Employees from their duty of confidentiality in the course of their work, nor is a route for taking up a grievance about a personal situation

### **Preamble:**

Company is strongly committed to achieve highest principles and standards of ethical, moral and legal conduct. For which, Company continuously encourages its' employees to obey such standards and principles. In case of any violence, unethical misconduct and suspicious fraud, employees are vested with powers to report such instances without any fear under this Policy as a responsible individual of the Company.

This Policy is formulated with the sole motive of implementing an effective system of vigil mechanism in the Company whereby, every Director and employees can report any suspected fraud or unethical activity. Policy contents all such powers vested with the Directors and employees in respect to reporting of such fraudulent acts and grievance.

### **Definitions**

The definitions of some of the major terms used in this policy are given below.

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- a) “Audit Committee” means the Audit Committee constituted by the Board of Directors in accordance with Section 292 of the Companies Act 1956 and now under Section 177 of the Companies Act, 2013 and read with clause 49 of the Listing Agreement with Stock Exchanges.
- b) “Company” means Aether Industries Limited.
- c) “Disciplinary Action” means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a oral warning reprimand, imposition of fine, suspension from official duties or any such action by the Board of Directors as it may deemed to be fit considering the gravity of the matter.
- d) “Director(s)” means a director appointed on the board of directors of the Company.
- e) “Employee” means every employee of the Company including the directors in employment of the Company.
- f) “Investigators” means those persons authorised, appointed, consulted or approached by the Internal Auditor/ Chairman of the Audit Committee and includes the auditors of the Company and the police.
- g) “Protected Disclosure” means any communication made in good faith that discloses or demonstrates information which may evidence unethical or improper activity.
- h) “Subject” means a person against or in relation to whom a protected disclosure has been made or evidence gathered during the course of an investigation.
- i) “Whistle Blower” means an employee means any Employee, who has or had access to information, events, or data about an actual, suspected or anticipated Reportable Matters within or by the Company and makes or attempts to make a deliberate or voluntary Protected Disclosure under this policy.
- j) “Unethical or improper activity” includes but is not limited to:
  - i) Bribery, theft, fraud, coercion and wilful omission
  - ii) Pass back of commissions/benefits or conflict of interest
  - iii) Mismanagement, Gross wastage or misappropriation of company funds/assets/resources
  - iv) Manipulation of Company data/records for personal benefit
  - v) Stealing cash/company assets; leaking confidential or proprietary information
  - vi) Unofficial use of Company’s material/human assets

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vii) Activities violating Company policies including Code of Ethics and Conduct

viii) An abuse of authority

but excludes any private acts of an individual not connected with the business of Aether Industries Limited.

#### **Audit Committee:**

The Audit Committee, comprised of minimum three Directors, forming majority by Independent Directors, shall be the authority to establish and oversee the system of vigil mechanism and to amend and modify from time to time. The Chairman of the Committee shall designate any other Director or an Employee as 'Vigilance Officer' to attend the complaints raised by any such Directors or employees.

#### **Role and scope of Whistle Blower:**

- a. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Internal Auditor or the Chairman of the Audit Committee or the investigators.
- c. Protected Disclosure will be appropriately dealt with by the Internal Auditor or the Chairman of the Audit Committee, as the case may be.

#### **Key performance area under the Policy:**

- A whistleblower (any individual who reports unethical conduct or irregularities (actual or suspected) in the Company) under this Policy shall report misappropriation in procurement and (or) sales, undue awarding of contracts, false invoicing, embezzlement of Company assets, breach of internal compliance requirements, abuse of authority, breach of contract, negligence causing substantial and specific danger to public health and safety Manipulation of Company data / records, financial irregularities, including fraud or suspected fraud or deficiencies in internal control and check or deliberate error in preparations of financial statements or misrepresentation of financial reports, any unlawful act whether criminal / civil pilferage of confidential / propriety information, deliberate violation

of law / regulation, wastage / misappropriation of Company funds / assets, bribery or corruption, sexual harassment, retaliation, breach of security and data privacy, social media misuse or any other breach related to misappropriation or fraud. However, any grievance from the employee shall be excluded from the Policy as same is already placed on the employees' portal.

- The Vigilance Officer shall be approached via his registered e-mail: [denish@aether.co.in](mailto:denish@aether.co.in), accessible by every Director and employee to lodge any such complain / instance of fraudulent event. In certain exceptional instances, Whistleblower can approach directly to the Chairman of the Audit Committee.
- Whistle Blower shall be restricted only to the extent of reporting of suspicious / actual event. Neither he will act as an investigator nor he will conduct any such activity whether directly or indirectly. If required, he shall be asked for further details at later stage by the Committee. Upon receiving any sort of intimation from the Director or employee, the Vigilance Officer shall give due attention to the concern raised.
- The Vigilance Officer shall pay due attention to the information received and shall present the same before the Audit Committee. He along with the Committee shall investigate the matter and verify the facts and conclude it by determining appropriate corrective or remedial actions that may be warranted within reasonable time. Recommendatory acts shall be prescribed, if any.
- It shall be responsibility of the Committee to keep the subject and identity of the whistleblower confidential. In any circumstances, identity should not be revealed, and matter should not be disclosed. Confidentiality shall be maintained in strict sense. All the documents and records shall be preserved until investigation is not concluded.
- There shall be no discrimination, harassment, victimization or any other unfair employment practice adopted against the whistleblower and no unfair practices like retaliation, threat, intimidation, termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion including any direct or indirect use of authority to obstruct the whistleblower's right to continue to perform their duties / functions in a free and fair manner.
- In case repeated instances of frivolous complaints lodged by a Director or employee, Audit Committee may take any suitable action or step against that concerned Director or employee.
- It should be the duty of Company's Human Resource Department to give proper induction of this Policy to all the employees, current plus new entrants.
- Whistleblower mechanism shall be used only for the true purpose behind its formation.
- This Policy shall be applicable to every Director and employee of the Company.

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### **Eligibility:**

All Employees and Directors of the Company are eligible to make a Protected Disclosure under the policy. The Protected Disclosure may be in relation to matters concerning the Company at the Head Office, Units, Depots and all other places of business.

### **Disqualifications:**

- a. 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.
- b. 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.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

### **Procedure:**

- a. Employees can make Protected Disclosure in writing addressed to the Chairman of the Audit Committee as soon as possible but not later than 30 consecutive days after becoming aware of the same. Protected Disclosure shall be made in closed / secured envelope and should be titled as "Protected Disclosure under the Whistle Blower Policy".
- b. Protected Disclosure shall be given in a standard format by the Whistle Blower. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure. The Chairman of the Audit Committee shall detach the Covering Letter while forwarding the Protected Disclosure to the Audit Committee for consideration.
- c. Although a Whistleblower 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, particularly an anonymous 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, including names and dates, in order to facilitate the investigation.

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

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1. The employee involved;
  2. The sector of the Company where it happened (division, office);
  3. When did it happen: a date or a period of time;
  4. Type of concern (what happened);
    - a) Financial reporting;
    - b) Legal matter;
    - c) Management action;
    - d) Employee misconduct; and/or
    - e) 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.
- d. All Protected Disclosures concerning financial/accounting matters should be in writing and addressed to the Chairman of the Audit Committee of the Company for investigation.
- e. Protected Disclosures should be factual and should not be based on any secondary, unreliable source such as grapevine or any other form of informal communication and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- f. In respect of all other Protected Disclosures, those concerning the Internal Auditor and employees at the levels of Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Internal Auditor of the Company.
- g. If a Protected Disclosure is received by any executive of the Company other than the Internal Auditor, the same should be forwarded to the Company's Internal Auditor or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- h. The Protected Disclosure should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower. Alternatively, Protected Disclosures can also be reported orally to Internal Auditor / Chairman of Audit Committee.
- i. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee / Internal Auditor, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- j. The Protected Disclosure should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

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- k. Concerns expressed anonymously will not be investigated.
- l. Whistle Blowers are not to act on their own in conducting any investigation.

**Investigators:**

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Internal Auditor / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b. The Internal Auditor / Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Internal Auditor /Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Internal Auditor /Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Internal Auditor / Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects 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.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

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- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.
- l. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Internal Auditor / Audit Committee when acting within the course and scope of their investigation.
- m. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- n. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Internal Auditor, as the case may be, which establishes that:
  - i) the alleged act constitutes an improper or unethical activity or conduct, and
  - ii) the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

#### **Protection:**

- a. 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 Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- b. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

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- c. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- d. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

**Decision:**

If an investigation leads the Internal Auditor/ Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Internal Auditor/ Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Internal Auditor / Chairman of the Audit Committee may deem fit. 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.

**Conflict of Interest:**

In the event the Chairman of the Audit Committee has a conflict of interest in relation to a Protected Disclosure received by him, the Chairman of the Audit Committee shall recuse himself from the matter and forward such Protected Disclosure to other members of the Audit Committee. The Audit Committee shall then nominate another member of the Audit Committee to exercise the role of the Chairman as set out in this Policy in relation to such Protected Disclosure.

**Reporting and Review:**

The Internal Auditor shall submit a report to the Chairman of 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 report with number of complaints received under this Policy and their outcome shall be placed by the Concerned Authority before the Audit Committee on a regular basis.

The Audit Committee shall review the functioning of the whistle-blower mechanism created pursuant to this Policy from time to time.

**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 minimum period of seven years.

**Dissemination:**

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report of the Company. The Policy will be reviewed on an annual basis or as and when warranted due to regulatory requirements.

**Review:**

Policy shall be reviewed from time to time. Necessary changes and modification shall be updated as and when required. Report instances registered under this Policy on quarterly basis shall be presented before the Board of Directors.

**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.