

RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED VIGIL MECHANISM/WHISTLE BLOWER POLICY

1. OBJECTIVES

- 1.1. Ramagundam Fertilizers and Chemicals Limited believes in conducting its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. As such the company endeavours to work against corruption in all its forms including demanding and accepting bribe, illegal gratification or unjust rewards and abuse of official position with a view to obtain pecuniary advantage for self or any other person.
- 1.2. Section 177(9) of the Companies Act 2013 read with Rule 7 “Establishment of Vigil Mechanism” of the Companies (Meetings of Board and its Powers) Rules, 2014 provide that apart from every listed company, following types of companies shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances:
 - (a) the Companies which accept deposits from the public;
 - (b) the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.

Accordingly, it is mandatory for RFCL to establish a “**Vigil Mechanism/ Whistle Blower Policy.**”

- 1.3. Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 further provide as under:
 - (i) The companies which are required to constitute an audit committee, shall oversee the vigil mechanism through the committee.
 - (ii) In case of other companies, the Board of directors shall nominate a director to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.
 - (iii) The vigil mechanism shall provide for adequate safeguards against victimisation of employees and directors who avail of the vigil

- mechanism and also provide for direct access to the Chairperson of the Audit Committee or the director nominated by the Board to play the role of Audit Committee, as the case may be, in exceptional cases.
- (iv) In case of repeated frivolous complaints being filed by a director or an employee, the audit committee or the director nominated by the Board to play the role of audit committee may take suitable action against the concerned director or employee including reprimand.

- 1.4 This policy is formulated in pursuance with the above provisions in the Companies Act 2013 and Rules made thereunder. In addition, this policy is intended to provide an opportunity to employees to report to the management, instances of unethical behaviour, actual or suspected fraud, or violation of the company's code of conduct. It will also provide necessary safeguards for protection of employees from reprisals or victimization.

However, a disciplinary action against the Whistle Blower which occurs on account of poor job performance or misconduct by the Whistle Blower and which is independent of any disclosure made by the Whistle Blower shall not be protected under this policy.

2 DEFINITIONS

- 2.1 “**Audit Committee**” means the Audit Committee of the Board constituted by the Board of Directors of the company in accordance with Section 177 of the Companies Act, 2013 or the director / Board Committee nominated by the Board to play the role of Audit Committee, as may be applicable.
- 2.2 “**Bonafide Complaint**” means a complaint shall be deemed to be bonafide unless it is found to be motivated.
- 2.3 “**Company**” means Ramagundam Fertilizers and Chemicals Limited [RFCL].
- 2.4 “**Competent Authority**” means the Chairman of the company and will include any person(s) to whom he may delegate any of his powers as the

Competent Authority under this policy from time to time. In case of conflict of interest (Chairman being the subject person), Competent Authority means Chairman-Audit Committee or the director /Chairman-Board Committee nominated by the Board to play the role of Audit Committee, as the case may be.

- 2.5 “**Employee**” means every employee as defined in the Conduct, Discipline & Appeal Rules as approved and whose name appear on rolls of the company (whether working in India or abroad), including the functional directors of the company and employees of its Promoters working in the company either on deputation or on secondment basis.
- 2.6 “**Improper Activity**” means any activity by an employee of the company that is undertaken in performance of his or her official duty, whether or not that act is within the scope of his or her employment, and that is in violation of any law or the rules of conduct applicable to the employee, including but not limited to abuse of authority, breach of contract, manipulation of company data, pilferage of confidential / proprietary information, criminal offence, corruption, malfeasance, bribery, theft, conversion or misuse of the company’s property, fraudulent claim, fraud or willful omission to perform the duty, or that is economically wasteful or involving gross misconduct, incompetence or gross inefficiency and any other unethical, biased, favoured, or imprudent act.
- 2.7 “**Investigators**” means those persons authorized, appointed, consulted or approached by the Chairman/Competent Authority in connection with conducting investigation into a protected disclosure and include the Auditors of the company.
- 2.8 “**Motivated Complaint**” means a complaint if it is found to be deliberately false or motivated by revenge, enmity, or mischief or other extraneous considerations.
- 2.9 “**Policy**” means this Vigil Mechanism/ Whistle Blower Policy.
- 2.10 “**Protected Disclosure**” means any communication made in good faith that discloses or demonstrates information that may be treated as evidence of unethical or “Improper Activity.”

- 2.11 “**Screening Committee**” means a Committee constituted under Whistle Blower Policy of the company, comprising, the Chairman or in his absence, any other Director as nominated by the Chairman and Chairman, Audit Committee or in his/her absence, a member of the Audit Committee as nominated by the Chairman, Audit Committee or the director / Chairman- Board Committee nominated by the Board to play the role of Audit Committee, as may be applicable.
- 2.12 “**Service Rules**” means approved Conduct, Discipline, and Appeal Rules, and employees of Promoters governed by the respective Standing Orders.
- 2.13 “**Subject**” means an employee against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 2.14 “**Victimization**” means any act by which the complainant is victimized for making a complaint in good faith.
- 2.15 “**Whistle Blower**” means an Employee making a Protected Disclosure under this policy.

3 ELIGIBILITY

- 3.1 All employees of the company are eligible to make “Protected Disclosures”.

4 GUIDING PRINCIPLES

- 4.1 Protected disclosures shall be acted upon in a time bound manner.
- 4.2 Complete confidentiality of the Whistle Blower will be maintained.
- 4.3 The Whistle Blower and/or the person(s) processing the Protected Disclosure will not be subjected to victimization.

- 4.4 Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.
- 4.5 'Subject' of the Protected Disclosure i.e. employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.
- 4.6 The Whistle Blower should bring to attention of the Competent Authority at the earliest any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.
- 4.7 The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.
- 4.8 The Whistle Blower Policy does not tantamount in any manner to dilution of the Vigilance mechanism in the company. Rather, over and above the existing Vigilance Mechanism, any protected Disclosure made by an employee under this policy, if perceived to have a vigilance angle, shall be referred to the Chief Vigilance Officer of the company, as per the existing practice.

5 WHISTLE BLOWER - ROLE & PROTECTION

Role:

- 5.1 The Whistle Blower's role is that of a reporting party with reliable information.
- 5.2 The Whistle Blower is not required or expected to conduct any investigation on his own.
- 5.3 The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he shall not have a right to participate.
- 5.4 Protected Disclosure will be appropriately dealt with by the Competent Authority.
- 5.5 The Whistle Blower shall have a right to be informed of the disposition of his/her disclosure except for overriding legal or other reasons.

Protections:

- 5.6 Genuine Whistle Blowers will be accorded protection from any kind of harassment, unfair treatment, or victimization. However, motivated and frivolous disclosures shall be discouraged.
 - 5.7 Complete protection, will 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.
 - 5.8 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be motivated or malafide or malicious or frivolous, baseless or reported otherwise than in good faith, will be liable for disciplinary action as per the applicable Service Rules.
 - 5.9 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
 - 5.10 Whistle Blower shall have direct access to the to the Chairperson of the Audit Committee or the director / Chairman- Board Committee nominated by the Board to play the role of Audit Committee, as the case may be, in exceptional cases.
- 6 PROCEDURES – ESSENTIALS AND HANDLING OF PROTECTED DISCLOSURE:
- 6.1 The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the whistle blower/complainant i.e. his/her Name, Employee no., PF no., Designation and Address, and should be inserted in an envelope which should be closed/secured/sealed. The envelope thus secured/sealed should be addressed to the Competent Authority and should be superscribed "**Protected Disclosure**". (If the envelope is not superscribed and closed/sealed/secured, it will not be possible to provide protection to the whistle blower as specified under this policy).

- 6.2 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the whistle blower, he may send his protected disclosure directly to the Chairman, Audit Committee or the director/ Chairman- Board Committee nominated by the Board to play the role of Audit Committee, as the case may be, c/o the Company Secretary, RFCL.
- 6.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 6.4 Protected Disclosure should either be typed or written in legible hand writing in any language listed in the constitution of India and should provide a clear understanding of the Improper Activity involved or issue/concern raised.
- 6.5 Protected Disclosure should be factual and not speculative or in the nature of conclusion. It must contain as much relevant information as possible to allow for preliminary review and proper assessment of the nature and extent of wrongdoing and should help in investigation.
- 6.6 Investigations into any Improper Activity which is the subject matter of an inquiry or order under the Public Servants' Inquiries Act, 1850 or under the Commissions of Inquiry Act, 1952 will not come under the purview of this policy.
- 6.7 The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows :

The Chairman
Competent Authority,
Whistle Blower Mechanism

Ramagundam Fertilizers and Chemicals Limited,
Corporate Office:
4th Floor, Kribhco Bhawan,
Sector-1,
Noida-201301

- 6.8 The contact details for addressing a protected disclosure to the Chairman Audit Committee or the director / Chairman- Board Committee nominated by the Board to play the role of Audit Committee, as the case may be are as follows :

Chairman, Audit Committee or the director/ Chairman- Board Committee nominated by the Board to play the role of Audit Committee/o Company Secretary

Ramagundam Fertilizers and Chemicals Limited,

Corporate Office:

4th Floor, Kribhco Bhawan,

Sector-1,

Noida-201301

- 6.9 The Competent Authority shall mark the envelope containing the protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof and shall submit the same to the Screening Committee.
- 6.10 The Screening Committee shall weed out frivolous/ motivated complaints and the Protected Disclosure(s) / bonafide complaints which require further investigation shall be forwarded to the investigator(s) nominated for this purpose, through the Confidential Section.
- 6.11 The Screening Committee shall endeavour to meet as early as possible, preferably within 15 days of receipt of a Protected Disclosure.
- 6.12 In order to protect identity of the person, the Competent Authority will not issue any acknowledgement and the whistle blowers are advised not to enter into any further correspondence.

7 INVESTIGATIONS AND ROLE OF INVESTIGATORS :

Investigation:

- 7.1 Investigations shall be launched if the Screening Committee is satisfied after preliminary review that:
- (a) The alleged act constitutes an improper or unethical activity or conduct, and

- (b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter deserves investigation.
- 7.2 The decision taken by the Screening Committee to conduct an investigation is by itself not to be construed as an accusation and is to be treated as a neutral fact finding process.
- 7.3 The identity of the Subject(s) and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 7.4 Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.
- 7.5 Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 7.6 Subject(s) 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 Subject(s).
- 7.7 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8 The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
- 7.9 Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigator(s):

- 7.10 Investigator(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall have derived their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his/their report to the Competent Authority.
- 7.11 All Investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of professional standards.

8 ACTION

- 8.1 If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable in law, the Competent Authority may direct the concerned Disciplinary Authority to take disciplinary action under applicable statutory provisions including referring the matter to Chief Vigilance Officer of the company for appropriate action.
- 8.2 The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.
- 8.3 If the Competent Authority is of opinion that the investigation discloses that no further action on the protected disclosure is warranted, he shall so record in writing and the report shall be filed in the Confidential Section, with a copy to the Chairman, Audit Committee or the director/ Chairman- Board Committee nominated by the Board to play the role of Audit Committee for information.
- 8.4 If the Competent Authority is satisfied that the protected disclosures / complaint is false, motivated or vexatious, the Competent Authority may report the matter to concerned Disciplinary Authority for appropriate disciplinary action against the whistle blower, with a copy to the Chairman, Audit Committee or the director/ Chairman- Board Committee nominated by the Board to play the role of Audit Committee for information.

9 GRIEVANCES

- 9.1 If the Whistle Blower feels aggrieved with the disposition of his or her complaint or if the Whistle Blower or Subject feels that protection, which either of them is entitled to has not been provided or has been disregarded, the Whistle Blower or Subject, as the case may be, may make a representation in writing of his or her grievance to the Chairman of the Company, who will take such action in the matter as he considers necessary to redress the grievance.

10 REPORTING AND REVIEW

- 10.1 The Competent Authority shall submit a half yearly report of the protected disclosures/complaints, of the investigations conducted, and of the action taken to the Board of Directors of the company.
- 10.2 All employees of the company shall abide by, obey and be bound to implement any decision taken or direction given by the Audit Committee or the director/ Chairman- Board Committee nominated by the Board to play the role of Audit Committee.

11 ANNUAL AFFIRMATION

- 11.1 The Company shall annually affirm that it has not denied any employee access to the Audit Committee or the director/ Chairman- Board Committee nominated by the Board to play the role of Audit Committee and that it has provided protection to the Whistle Blower from adverse action. The affirmation shall form part of Directors' Report as attached to the Annual Report of the Company.

12 SAVINGS

- 12.1 This policy can be changed, modified, or abrogated at any time by the Board of Directors of the Company.
