

The Fertilisers and Chemicals Travancore Limited

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VIGIL MECHANISM AND WHISTLE BLOWER POLICY



प्रगति के पथप्रदर्शक

PIONEERS IN PROGRESS

Vigil Mechanism and Whistle Blower Policy

1. Introduction

- (a) The Fertilisers and Chemicals Travancore Limited (FACT) is committed to conducting business with integrity in accordance with all applicable laws and practices. FACT's expectations with reference to the business ethics are contained in the Code of Business Conducts and Ethics.
- (b) Employees are required to report actual or suspected violation of applicable laws and regulations and the Code of Conduct and FACT has an obligation to ensure that there is a procedure in place to enable the reporting of such violation.

2. Background

Section 177(9) of the Companies Act 2013 mandates the following classes of companies to constitute a Vigil Mechanism.

- Every listed company;
- Every other company which accepts deposits from the public;
- Every company which has borrowed money from banks and public financial institutions in excess of Rs.50 crore;

Further clause 49 of the listing agreement between FACT and National Stock Exchange of India provides for a mandatory requirement to establish a mechanism called the 'Whistle Blower Policy' for directors and employees to report concerns of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

3. Definitions

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

- (a) 'Audit Committee' – means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act 2013, read with Clause 49 of the Listing Agreement.
- (b) 'Employee' – means every employee of the company including the directors in the employment of the company.
- (c) 'Director' – means every director of the company, past or present.
- (d) 'Protected disclosure' – means any communication made in good faith and discloses information that may evidence unethical or improper activity.
- (e) 'Reportable matter' – means a genuine concern, concerning actual or suspected :
 - (a) fraudulent practices such as improperly tampering with FACT books and records or theft of company property,
 - (b) corruption, including bribery and money laundering;
 - (c) breach of FACT code of conduct and ethics
- (e) 'Whistle Blower' – means an employee or director making a protected disclosure under this policy.

The protected disclosure should be forwarded under a covering letter which shall bear the identity of the Whistleblower. The covering letter shall be detached and the protected disclosure shall be forwarded for investigation.

The Whistle Blower must disclose his/her identity while making the protected disclosure. Anonymous disclosures will not be entertained.

9. Investigation

All protected disclosures reported under this policy will be promptly investigated by FACT or by any investigators for the purpose of investigation.

The investigators are required to conduct a process towards fact finding and analysis. Investigators shall derive their authority and access right from the Audit Committee.

10. Decision

If an investigation leads to conclude that an improper and unethical act has been committed, the General Manager (Internal Audit) and Chairman Audit Committee shall recommend for corrective action as they deem fit. Any disciplinary or corrective action initiated as a result of the finding of an investigation pursuant to this policy shall adhere to the code of conduct applicable to staff and disciplinary proceedings.

11. Protection of Whistle Blowers

FACT will treat the name of the whistle blower as confidential and the identity of the whistle blower should not be made public, except required by law and only to the extent possible while allowing an investigation to proceed. A whistle blower may make the disclosure without fear or retaliation or intimidation. FACT prohibits its employees from engaging in retaliation or intimidation against a whistle blower. Employee who engage in retaliation or intimidation in violation of this policy will be subject to disciplinary action which may include dismissal. If a whistle blower has been found to have made a deliberately false disclosure, whistle blower may be subjected to disciplinary action which may include dismissal from the services of FACT.

12. Role of the Audit Committee

The Audit Committee is responsible for supervising the development and implementation of the vigil mechanism. General Manager, Internal audit, shall submit periodical reports on the disclosure received by him and the action taken on the disclosure to the Audit Committee. The Audit Committee shall review the report and disclosure and issue appropriate directives to the concerned for protecting the interest of FACT and all stake holders.