



THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED

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Vigil Mechanism and Whistle Blower Policy of FACT

(Adopted by the Board at the Meeting held on 14-02-2024)

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 Conduct 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,

The Companies (Meetings of Board and its Powers) Rules 2014 further provides that the companies which are required to constitute an audit committee shall oversee the vigil mechanism through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

Further, as per Regulation 4(2)(d)(iv) of the SEBI (LODR) Regulations, 2015, the listed entity shall devise an effective whistle blower policy enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. Regulation 22 also provides that the listed entity shall formulate a vigil mechanism /whistle blower policy for directors and employees to report genuine concerns. The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

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 Regulation 18 of SEBI (LODR) Regulations, 2015.
- (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
 - d) Violations/ suspected violations of the code of conduct and FACT—PIT Policies
 - e) Leak / Suspected leak of Unpublished Price Sensitive Information (UPSI), as per the FACT—PIT Policies.
- (f) 'Whistle Blower' – means an employee or director making a protected disclosure under this policy.

4. Scope

The Vigil mechanism and Whistle Blower Policy sets out the procedure to be followed when making a disclosure and is in accordance with Section 177 of the Companies Act 2013 and SEBI (LODR) Regulations, 2015. This policy applies to all employees and Directors of FACT.

5. Eligibility

All employees and Directors of FACT are eligible to make protected disclosure under this policy.

6. Disqualification

- a) While FACT will ensure that genuine whistle blowers are accorded protection from any kind of unfair treatment, 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 with a malafide intention.
- c) Whistle blowers who make three or more false protected disclosure with a malafide intention will be disqualified from reporting further protected disclosure under this policy for a period of three years.

7. Policy

Protected disclosures can be made whenever an employee or director becomes aware of a reportable matter. The role of the Whistle Blower is limited to making a disclosure. The role of a whistle blower is limited to making a protected disclosure. The Whistle Blower should not engage in investigation concerning the subject. Similarly, the Whistle Blower should not involve determining the appropriate corrective action that might follow from the submission of a disclosure.

8. Reporting Mechanism

The disclosures are to be made to the General Manager (Internal Audit)/Head of the Internal Audit Department as follows;

- (a) By email : iaudit@factltd.com
- (b) By telephone : 0484-2545022
- (c) By letter : Head of The Internal Audit Department,
The Fertilisers and Chemicals Travancore
limited, Udyogamandal, Kerala-683501.

Moreover, in exceptional cases, the employees/Directors have a right to make disclosure directly to *the Chairman of the Audit Committee of the Board* by letter addressed to the Chairman, Audit Committee, marked "Private and Confidential" and delivered to The Fertilisers and Chemicals Travancore Limited, Corporate Office, Eloor, Udyogamandal P.O., Pin-683501

The disclosure should include as much information as possible concerning the matter, such as the nature, the name of the employee to which the matter relates, the relevant factual background and the basis for the disclosure, to enable further investigation.

The protected disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle blower. 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 Head of the Internal Audit Department and Chairman of 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 as 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 service of FACT.

12. **Role of the Audit Committee**

The Audit Committee is responsible for supervising the development and implementation of the vigil mechanism. Head of the Internal Audit Department 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 stakeholders.
