



ANJANI PORTLAND CEMENT LIMITED

VIGIL MECHANISM POLICY

I. PREAMBLE

Section 177 of the Companies Act, 2013 read with rule 7 of Companies (Meetings of Board and its powers) Rules 2014 provides for the following:

- All listed companies
- All Companies which accept deposits from the public;
- All Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.

are required to establish a vigil mechanism for the directors and employees to report genuine concerns or grievances in such manner as may be prescribed.

In accordance with the above the Company has formulated this Policy of Vigil Mechanism.

II. COMMENCEMENT

This policy will be applicable to the Company with effect from 1st October 2014.

III. DEFINITIONS

- 1) **“Alleged wrongful conduct”** shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- 2) **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance with the Companies Act, 2013 and Rules made thereunder.
- 3) **“Board”** means the Board of Directors of the Company.
- 4) **“Code”** means Code of Conduct for Directors and Senior Management Executives adopted by Anjani Portland Cement Limited.
- 5) **“Company”** means Anjani Portland Cement Limited.

- 6) **“Disciplinary Action”** means any action that can be taken on the completion of/during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 7) **“Employee”** means all the present employees and Directors of the Company (Whether working in India or abroad).
- 8) **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 9) **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 10) **“Vigilance and Ethics Officer”** means an officer appointed by the Audit Committee to receive protected disclosures from Whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 11) **“Whistle Blower”** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as Whistle Blower.

Words and expressions used in this Policy, but not defined herein shall have the same meaning as specified under the Companies Act, 2013 and the Rules thereunder.

IV. POLICY OBJECTIVES

The Company has adopted a Code for Directors and Senior Management Executives (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees, potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

The Company is committed to adhere to the highest standards of ethical, legal and moral conduct in its business operations. The Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of unfair treatment.

A Vigil (Whistle Blower) mechanism provides a channel to the Employee to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes or policy. The mechanism provides for adequate safeguards against victimization of Employee who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

V. SCOPE

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- a. Abuse of authority.
- b. Breach of contract.
- c. Manipulation of company data/records.
- d. 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.
- e. Any unlawful act whether Criminal/ Civil.
- f. Pilferation of confidential/propriety information.
- g. Deliberate violation of any law.
- h. Wastage/misappropriation of company funds/assets.
- i. Breach of Code and other employee rules.

VI. ELIGIBILITY

All Employees of the Company including directors are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

VII. DISQUALIFICATIONS

- a) While it will be ensured that genuine Whistleblowers 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 Whistleblower knowing it to be false or bogus or with a mala fide intention.
- c) Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

VIII. PROCEDURE

- a) All Protected Disclosures should 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 a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or the local language of the place of employment of the Whistle Blower.
- b) The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed 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 super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the Whistle Blower and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the Whistle Blower, the Vigilance and Ethics Officer will not issue any acknowledgement to the Whistle Blowers and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the Whistle Blower.
- c) Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.
- d) The Protected Disclosure should be forwarded under a covering letter signed by the Whistle Blower. The Vigilance and Ethics Officer, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

- e) All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company. The contact details of the Vigilance and Ethics Officer is as under:-

Name and Address: Chief Financial Officer
Plot No. 6-3-553, Unit Nos. E3 & E4, 4th Floor,
Quena Square, Taj Deccan Road,
Erramanzil, Hyderabad – 500 082

- f) On receipt of the protected disclosure the Vigilance and Ethics Officer shall make a record of the Protected Disclosure and also ascertain from the Whistle Blower whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- Brief facts;
- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- Details of actions taken by Vigilance and Ethics Officer / Chairman/ CEO for processing the complaint
- Findings of the Audit Committee
- The recommendations of the Audit Committee/ other action(s).

- g) The Audit Committee, if deems fit, may call for further information or particulars from the Whistle Blower.

IX. INVESTIGATION

- a) All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- b) The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- c) Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

- d) Subject(s) shall have a duty to co-operate with the Vigilance and Ethics Officer and the Audit Committee.
- e) Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer and/or members of the Audit Committee and/or the Whistle Blower.
- f) Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- g) Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- h) Subject(s) have a right to be informed of the outcome of the investigations. 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.
- i) The investigation shall be completed normally within 30 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.
- j) Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

X. DECISION AND REPORTING

- a) If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall take such disciplinary or corrective action as it may deem fit.
- b) The Vigilance and Ethics Officer 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.

- c) A Whistle Blower who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.
- d) A quarterly report with number of complaints received, if any, under the Policy and their outcome shall be placed before the Audit Committee and the Board.

XI. CONFIDENTIALITY

The Whistle Blower, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

- a) Maintain confidentiality of all matters under this Policy.
- b) Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- c) Not keep the papers unattended anywhere at any time.
- d) Keep the electronic mails / files under password.

XII. 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. 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 Vigilance and Ethics Officer, who shall investigate into the same and recommend suitable action to the Audit Committee.

- c) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the Whistle Blower will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the Whistle Blower being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- d) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- e) This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

XIII. ACCESS TO THE CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

XIV. 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 period of 3 (three) years or such other period as specified by any other law in force, whichever is more.

XV. ADMINISTRATION AND REVIEW OF THE POLICY

The Audit Committee shall be responsible for the administration, interpretation, application and review of this policy. The Audit Committee also shall be empowered to bring about necessary changes to this Policy.

XVI. 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. However, no such amendment or modification will be binding on the Employees and Directors unless the same is published in the website of the company.