

ANDHRA CEMENTS
LIMITED

Vigil Mechanism /
Whistleblower Policy

INTRODUCTION

Our Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, integrity and ethical behaviour.

Our Company is committed to developing a culture where it is safe for all employees to raise concerns about any event of misconduct or violation of law in force.

Section 177 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 provides that every listed company or companies which accept deposits from the Public or which has borrowed money from banks and public financial institutions in excess of Rs.50 crore shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Stock Exchanges (NSE & BSE) have pursuant to SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 have amended Listing Agreements whereby under revised Clause 49, effective from 1st October, 2014, the companies have been advised to establish a Vigil Mechanism for directors and employees to report concerns about unethical behavior, action or suspected fraud or violation of the Company's Code of Conduct or ethics policy and also to provide adequate safeguards against victimization of director(s) / employee(s) who avail the mechanism also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of establishment of such mechanism shall be disclosed by the Company on its website and in the Directors' Report.

Accordingly, this Vigil Mechanism / Whistleblower Policy has been formulated with a view to provide a mechanism for directors and employees of Andhra Cements Limited to raise concerns of any violations of legal or regulatory requirements, unethical behavior, fraud etc. The purpose of this Policy is to encourage the employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

POLICY

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation or satisfying personal grudges.

DEFINITIONS

"Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and Listing Agreement.

"Board" means the Board of Directors of the Company.

“Company” means Andhra Cements Limited or ACL

“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

“Employee” means every present employee of the ACL and Directors, whether working at Corporate Office or project site.

“Good Faith” An employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

“Policy or This Policy” means this Vigil Mechanism / Whistleblower Policy.

“Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.

“Whistle Officer” means Site/Office In-charge an officer of the Company, nominated by the Managing Director to receive protected disclosures from whistleblowers, Managing Director or Chairman of Audit Committee

“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 under this Policy.

“Whistleblower” is someone who makes a Protected Disclosure under this Policy

SCOPE

The employees of ACL are eligible to make Protected Disclosures under the Policy. An employee can avail of the channel provided by this Policy for raising an issue covered under this Policy.

The Policy covers malpractices and events which have taken place/suspected to take place involving and not limited to :

- a. Abuse of authority
- b. Breach of contract
- c. Negligence causing substantial and specific danger to public health and safety
- d. Manipulation of data/records
- e. 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
- f. Any unlawful act whether Criminal/ Civil
- g. Pilferage of confidential/propriety information
- h. Deliberate violation of law/regulation
- i. Wastage/misappropriation of funds/assets
- j. Breach of ACL’s Policy or failure to implement or comply with any approved Policy

The Policy should not be used for raising malicious or unfounded allegations against colleagues.

GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, ACL will:

- a. Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
- b. Treat victimization as a serious matter, including initiating disciplinary action, if required, on such person/(s)
- c. Ensure complete confidentiality
- d. Not attempt to conceal evidence of the Protected Disclosure
- e. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
- f. Provide an opportunity of being heard to the persons involved especially to the Subject

PROTECTION TO WHISTLEBLOWER

If an employee or director raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. He/she will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy.

The protection is available provided that:

- a. The communication/disclosure is made in good faith
- b. He/She reasonably believes that information, and any allegations contained in it, are substantially true; and
- c. He/She is not acting for personal gain

ACL will not tolerate the harassment or victimization of anyone raising a genuine concern. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

ACCOUNTABILITIES – WHISTLEBLOWERS

- a. Bring to early attention of ACL any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence for ACL.
- b. Avoid anonymity when raising a concern
- c. Follow the procedures prescribed in this policy for making a Disclosure
- d. Co-operate with investigating authorities, maintaining full confidentiality

- e. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty disclosures
- f. A whistleblower has the right to protection from retaliation
- g. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged malpractice/violation. It may forewarn the Subject in case any important evidence is likely to be destroyed

ACCOUNTABILITIES – WHISTLE OFFICER AND INVESTIGATORS

- a. Conduct the enquiry in a fair, unbiased manner
- b. Ensure complete fact-finding
- c. Maintain strict confidentiality
- d. Decide on the outcome of the investigation
- e. Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- f. Minute Investigators' deliberations and document the final report

RIGHTS OF A SUBJECT

- a. Subjects have a right to be heard and the Whistle Officer must give adequate time and opportunity for the subject to communicate his/her say on the matter.
- b. Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by ACL after the completion of the inquiry/ investigation process.
- c. Subjects have a right to consult with a person or persons of their choice, other than the Investigators 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.

PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

Is there any specific format for submitting the Protected Disclosure?

- a. While there is no specific format for submitting a Protected Disclosure, the following details MUST be mentioned:
 - i) Name, address, employee ID and contact details of the Whistleblower
 - ii) Brief description of the malpractice/violation, giving the names of those alleged to have committed or about to commit a malpractice/violation. Specific details such as time and place of occurrence are also important
 - iii) Protected Disclosures 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

How should a Protected Disclosure be reported and to whom?

Protected Disclosures should be reported in writing by the Whistleblower 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 in Hindi.

The Protected Disclosure should be submitted in a closed and secured envelope and should be sealed and superscribed as “Protected disclosure under the Vigil Mechanism/ Whistle Blower Policy”. If the complaint is not superscribed and closed as mentioned above it will not be possible for the Whistle Officer to protect the Whistleblower and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the Whistleblower, the Whistle Officer will not issue any acknowledgement to the Whistleblower and the Whistleblowers are advised neither to write the name / address of the Whistleblower on the envelope nor to enter into any further correspondence with the Whistle Officer or the Audit Committee. The Whistle Officer or Chairman of the Audit Committee assures that in case any further clarification is required he/ they will get in touch with the Whistleblower.

Anonymous / Pseudonymous disclosure shall not be entertained by the Whistleblower.

The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Whistle Officer shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.

All Protected Disclosures should be addressed to Whistle Officer. The contact details of the Whistle Officers are as under:-

Name and contact details of Whistle Officers

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

Protected Disclosure against the Site/Office in-charge, Chairman of Audit Committee should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the MD and the Chairman of the Audit Committee are as under:

Name and address of MD : Shri -----,

Name and address of : Shri K.N. Bhandari
Chairman of Audit Committee Chairman, Audit Committee,
Committee

On receipt of the protected disclosure the Whistle Officer shall make a record of the Protected Disclosure and also ascertain from the Whistleblower whether he/she was the person who made the protected disclosure or not for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Site/Office In-charge / Chairman for processing the complaint.
- e) Findings of the Whistle Officer ;
- f) The recommendations of the Whistle Officer / other action(s).

The Audit Committee if deems fit may call for further information or particulars from the Whistleblower.

Investigation

All protected disclosures under this policy will be recorded and thoroughly investigated. The Whistle Officer may investigate and may at its discretion consider involving any other Officer of the Company for the purpose of investigation.

The decision to conduct an investigation taken by Whistle Officer is by itself not an accusation and is to be treated as a neutral fact finding process.

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.

Subject(s) shall have a duty to co-operate with Whistle Officer/ or any of the Officers appointed by it in this regard to the extent that such cooperation will not compromise self incrimination protections available under the applicable laws.

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).

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.

Subject(s) have a right to be informed of the outcome of the investigations.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Whistle Officer deems fit and as applicable.

Decision and Reporting

Whistle Officer along with its recommendations will report its findings to the Managing Director of the Company within 15 days of receipt of report for further action as deemed fit. In case the subject is Managing Director or Chairman of Audit Committee, the report shall be made to the Audit Committee. In case prima facie case exists against the subject, then the Whistle Officer /Managing Director/Chairman of Audit Committee shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Whistle Officer / Chairman of the Audit Committee, the Whistleblower and the subject.

In case the subject is a Whistle Officer , the protected disclosure shall be addressed to the Managing Director who, after examining the protected disclosure shall forward the matter to the Chairman of the Audit Committee. The Chairman of the Audit Committee after providing an opportunity to the subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the Managing Director. After considering the report and recommendation as aforesaid, Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Whistle Officer, Chairman of the Audit Committee, the Whistleblower and the subject.

In case the Subject is the Managing Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the Protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

If the report of investigation is not to the satisfaction of the Whistleblower , the Whistleblower has the right to report the event to the appropriate legal or investigating agency.

A Whistleblower who makes false allegations of unethical & improper practices or about wrongful conduct of the subject shall be subject to appropriate action in accordance with the rules, procedures and policies of the Company.

SECRECY / CONFIDENTIALITY

The Whistleblower, Whistle Officer, the Subject and everybody involved in the process shall:

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

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistleblower 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.

COMMUNICATION

A policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by posting on the website of the Company.

RETENTION OF DOCUMENTS

All Protected disclosures documented along with the results of Investigation relating thereto, shall be retained by the Whistle Officer for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

RETALIATORY ACTION

If the Whistleblower face any retaliatory action or threats of retaliatory action as a result of making a Protected Disclosure, please inform the Whistle Officer in writing immediately. He/She will treat reports of such actions or threats as a separate Protected Disclosure and investigate the same accordingly and may also recommend appropriate steps to protect you from exposure to such retaliatory action and ensure implementation of such steps for your protection.

ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with Protected Disclosures are considered confidential information and access will be restricted to the Whistleblower and Whistle Officer. Protected Disclosures and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

REPORTS

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Whistle Officer and the corrective actions taken will be sent to the Chief Executive Officer and the Managing Director of ACL.

BOARD'S POWERS

The Board of Directors of ACL is entitled to amend, suspend, review or rescind this policy at any time. Whilst best efforts have been made to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

SAVINGS

This Policy shall be in addition to any other policy formulated by ACL in accordance with any other law for the time being in force.