



KRIBHCO FERTILIZERS LIMITED
(formerly Kribhco Shyam Fertilizers Limited)

VIGIL MECHANISM POLICY

1. APPLICABILITY

Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed –

- (a) Every listed company;
- (b) Every other Company which accepts deposits from the public;
- (c) Every Company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

Section 177 (10) 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.

2. POLICY

Kribhco Fertilizers Limited, formerly known as Kribhco Shyam Fertilizers Limited (hereinafter referred as “KFL” or “Company”) covers under the above provisions and in compliance to above requirements, KFL has established a Vigil Mechanism and formulated a Policy (hereinafter referred as “VMP”) in order to provide a framework for responsible and secure Vigil Mechanism.

3. OBJECTIVE

KFL believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. In view of this, a framework is provided to Whistleblower to come forward and report genuine concerns about unethical behaviour, actual or suspected fraud or violation of any Codes of Conduct or policy and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Whistleblower who use the vigil mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases Directors and 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 about a personal situation.



4. DEFINITIONS

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

- (a) “**Audit Committee**” means the Audit Committee of the Board of Directors of the Company constituted in accordance with section 177 of the Companies Act, 2013.
- (b) “**Director**” means a Director on the Board of the Company whether whole-time or otherwise.
- (c) “**Disciplinary Action**” means any action that can be taken on 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.
- (d) “**Employee**” means every employee of the Company including persons posted in the Company on deputation.
- (e) “**Investigator(s)**” mean those person(s) or Committee of persons, nominated/appointed by the Chairman of the Audit Committee to investigate the Protected Disclosure including auditors of the Company. The Investigator(s) appointed shall be the person of high integrity and expert knowledge in the relevant discipline and shall have no conflict of interest with the Whistleblower.
- (f) “**Protected Disclosure**” means any written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- (g) “**Suspect**” means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- (h) “**Whistleblower**” means an Employee or Director making a Protected Disclosure under this VMP.

5. SCOPE

The VMP covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving

- i. violation of Company rules,
- ii. Breach of contract,
- iii. Misappropriation/wastage of Company funds/assets,
- iv. manipulation of company data/records
- v. financial irregularities including fraud or suspected fraud, forgery,



- vi. criminal offence,
- vii. Unethical behavior or illegal or unethical practices
- viii. Pilferation of confidential/proprietary information,
- ix. Deliberate violation of law/regulation,
- x. misuse or abuse of authority,
- xi. willful negligence causing substantial and specific danger to health, safety and environment
- xii. any/or other matters or activity on account of which the interest of the Company is affected

6. **EXCEPTION / DISQUALIFICATION**

The VMP does not cover the following:

- a. Company has notified separate “Grievance Handling Procedure” and all matters related to employment shall be covered under the relevant procedure;
- b. Similarly, company has notified separate policy for issues related to “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” and such issues shall be covered under the relevant procedure;
- c. For raising malicious or unfounded allegations against colleagues.
- d. Bringing to light personal matters regarding another person, which are in no way connected to the Organization.

7. **PROCEDURE**

- (a) The Whistleblower shall ensure that the Protected Disclosure should be reported in writing 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 Hindi.
- (b) The Protected Disclosure must provide as much information as possible, such as background history and reason for the complaint, name of person to which the matter relates, date of event etc. which should be specific and supported with evidence, if any, so that proper and fair investigation can be carried out.
- (c) The Whistleblower shall ensure that the Protected Disclosure should be made in a sealed envelope and super scribed “Protected Disclosure” and addressed to the Compliance Officer so nominated by the Audit Committee within a reasonable time frame.
- (d) The Protected Disclosure should be forwarded under a covering letter which should bear the identity of the Whistleblower. In order to protect the identity of Whistleblower no acknowledgement will be issued. The covering letter will be detached while forwarding the Protected Disclosure. Anonymous disclosures **WILL NOT BE** entertained in any circumstances.
- (e) The Contact details of the Compliance Officer to receive the Complaints and the Chairman of the Audit Committee are given below:



Company Secretary
KRIBHCO FERTILIZERS LIMITED
Corporate Office: KRIBHCO Bhawan, A-10, Sector -1, Noida - 201301
Regd Office: A-60, Kailash Colony, New Delhi - 110048
Email: cs@kfl.net.in

Chairman – Audit Committee
KRIBHCO FERTILIZERS LIMITED
Corporate Office: KRIBHCO Bhawan, 5th Floor, A-10, Sector -1,
Noida - 201301
Regd Office: A-60, Kailash Colony, New Delhi - 110048

- (f) The nominated Compliance Officer shall keep details of Whistleblower and shall promptly forward the unopened Protected Disclosure to Chairman of the Audit Committee.

8. INVESTIGATION

- (a) The Chairman of the Audit Committee, on receipt of a complaint shall get it preliminary enquired. During preliminary enquiry, if it is found that concern raised under Protected Disclosure has no basis, or it is not a matter of investigation pursued under this VMP, it may be dismissed at this stage and the decision is documented. Else the matter will be investigated through Investigator(s) in a fair and unbiased manner indicating a specific time frame for conducting the enquiry.
- (b) Where initial enquiries indicate that further investigation is necessary, the same would be conducted through Investigator(s) in a fair and unbiased manner indicating a specific time frame for conducting the enquiry, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- (c) Name of the Whistleblower shall not be disclosed to the Investigator(s) unless required for the purpose of investigation.
- (d) The Whistleblower may also be associated with the investigations, if the case so warrants. However, he/she shall not have a right to participate or to act on their own in conducting any investigations.
- (e) The Suspects may be informed of the allegations at the outset of a formal investigation and shall have a duty to co-operate with the Investigator(s).
- (f) The Suspects shall be directed so as not to withheld, destroy or tamper any evidence and also not to influence, coach, threaten, or intimidate any of the witnesses.
- (g) The Investigator(s) shall make a detailed written record of the Protected Disclosure which will include:
 - i. Facts of the matter;
 - ii. Whether the same/similar Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - iii. Whether the same/similar Protected Disclosure was raised previously against the Suspect, and if so, the outcome thereof;
 - iv. The financial/ otherwise loss which has been incurred / would have been incurred by the Company.



- v. The Investigator(s) shall finalise and submit the report to the Chairman of the Audit Committee within the given time period. If required, they can seek additional time.

9. DISPOSAL / DISCIPLINARY ACTION

- A. On submission of report, the Chairman of the Audit Committee shall discuss the matter with Investigator(s).
 - i. If it is proved that an improper or unethical act has been committed the Chairman of the Audit Committee shall recommend to the management/Board of the Company to take such disciplinary action or corrective action as deemed fit. It is clarified that any disciplinary or corrective action initiated against the Suspect as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
 - ii. In case the Protected Disclosure is not proved, extinguish the matter;
- B. The Whistleblower may be informed of the disposition of his disclosure except for overriding legal or other reason.
- C. A Whistleblower, who make three or more Protected Disclosure, which have been subsequently found to be malafide, frivolous, baseless, malicious, or reported otherwise than in good faith. In such case, the Chairman of the Audit Committee shall recommend to the management/Board of the Company to take such disciplinary action or corrective action as deemed fit.

10. PROTECTION

- (a) No unfair treatment, discrimination, harassment, victimization or any other unfair employment practice will be meted out under the Vigil Mechanism.
- (b) Identity of the Whistleblower making the disclosure shall be kept confidential to the extent possible and permitted under law. However, the Whistleblower is cautioned that their identity may become known for reasons e.g. during the investigations carried out by the Investigator(s).
- (c) While Management is determined to give appropriate protection to the genuine Whistleblower, the Employees at the same time are advised to refrain from using this facility for furthering their own personal interest or raising concern knowing it to be false or bogus or with a mala fide intention. If proved so, in such cases Disciplinary Action will be taken.
- (d) Any other Director and / or Employee assisting in the investigation or furnishing evidence shall also be protected to the same extent as the Whistleblower



11. CONFLICT OF INTEREST

There may be cases wherein complaint is related to any of the Director and /or Compliance Officer, in that case the Whistleblower may report his concern directly to Chairman of the Audit Committee. Further if any Investigator(s) has a conflict of interest in any given case, then he/she should recuse himself / herself and inform the Chairman of the Audit Committee who will nominate some other person to investigate the matter.

12. CONFIDENTIALITY

All the persons including Investigator(s) and are involved in the process shall, maintain confidentiality of all matters under this VMP, discuss only to the extent or with those persons as required under this VMP for completing the process of investigations and keep the papers in safe custody. If anyone is found not complying with the above, the person shall be held liable for such Disciplinary Action as deemed fit.

13. COMMUNICATION

All heads of Department are required to notify and communicate the existence and contents of this VMP to the Employees of their department. The Company shall also place the VMP by publishing on the notice board and the website of the Company www.kfl.net.in, if any, and in the Board's Report.

14. REPORTING

A quarterly report with number of Protected Disclosure received and its outcome shall be placed before the Audit Committee and Board on regular basis.

15. AMENDMENT

The Company reserves its right to amend or modify this VMP in whole or in part, at any time without assigning any reason whatsoever.

16. INTERPRETATION

Any terms that have not been defined in VMP shall have the same meaning assigned to it in the Companies Act, 2013 or as decided by the Chairman of the Audit Committee.