

## 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 Shyam Fertilizers Limited** (hereinafter referred as “KSFL”) covers under the above provisions and in compliance to above requirements, KSFL 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

KSFL 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 Directors and employees 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 Directors and employees who use the vigil 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 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.
- (b) “Investigators” mean those persons or Committee of persons, nominated/appointed by the Chairman of the Audit Committee to investigate the Protected Disclosures. 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.
- (c) “Protected Disclosure” means any 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.
- (d) “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.
- (e) “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 violation of Company rules, misappropriation of Company funds/assets, fraud, forgery, misuse or abuse of authority, wilful negligence causing substantial and specific danger to health, safety and environment and any/or other matters or activity on account of which the interest of the Company is affected.

#### **6. ELIGIBILITY**

All Employees and Directors of the Company are eligible to make Protected Disclosures under the VMP.

#### **7. PROCEDURE**

- (a) All Protected Disclosures should be addressed to the Compliance Officer so nominated by the Audit Committee.
- (b) In case complaints relates to the Compliance officer, Director and Non-independent Directors, and in exceptional or appropriate cases any employee may report his concern to Chairman of the Audit Committee.
- (c) The Contact details of the Compliance officer and the Chairman of the Audit Committee are given below:

**Shri Bipin C. Phuloria, Company Secretary**  
**Compliance Officer**  
**KRIBHCO SHYAM FERTILIZERS LIMITED**  
**Corporate Office: KRIBHCO Bhawan, A-10, Sector-1, Noida-201301**  
**Regd. Office: A-60, Kailash Colony, New Delhi - 110048**  
**Email: cs@ksfl.in**

**Shri Vijai Narain Rai**  
**Chairman – Audit Committee**  
**KRIBHCO SHYAM FERTILIZERS LIMITED**  
**Corporate Office: KRIBHCO Bhawan, A-10, Sector-1, Noida-201301**  
**Regd. Office: A-60, Kailash Colony, New Delhi - 110048**

- (d) Protected Disclosures should preferably 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.
- (e) 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. Anonymous disclosures will not be entertained.
- (f) The covering letter will be detached and only the Protected Disclosure will be forwarded to the Investigators for investigation.

## **8. INVESTIGATION**

- (a) The Compliance officer or the Chairman of the Audit Committee, as the case may be, on receipt of complaint shall have the matter investigated in a fair and unbiased manner.
- (b) The management will order appropriate action on the basis of findings as a result of the investigation.

## **9. 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 employee making the disclosure shall be kept confidential to the extent possible and permitted under law. The employees are cautioned that their identity may become known for reasons e.g. during the investigations carried out by the Investigators.
- (c) While Management is determined to give appropriate protection to the genuine Whistle Blower, the employees at the same time are advised to refrain from using this facility for furthering their own personal interest. If proved, in such cases disciplinary action will be taken.

**10. CONFIDENTIALITY**

All the persons including members of the Committee 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.

**11. DECISION**

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors to take such disciplinary or corrective action as it may deem fit. Any disciplinary or corrective action initiated against the Suspect as a result of the findings of an investigation pursuant to this VMP shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

**12. COMMUNICATION**

Directors and Employees shall be informed of the VMP by publishing on the notice board and the website of the Company.

**13. REPORTING**

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

**14. 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. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to the Employees and Directors in writing.