

## **VIGIL MECHANISM AND WHISTLE-BLOWER POLICY**

### **INTRODUCTION:**

- Niraj Cement Structurals Limited (NCSL in brief) is committed to conducting business with integrity, including in accordance with all applicable laws and regulations. NCSL's expectations with respect to business ethics are contained in the Code of Conduct.
- Employees are required to report actual or suspected violations of applicable laws and regulations and the Code of Conduct, and NCSLL has an obligation to ensure that there is a procedure in place to enable the reporting of such violations.

### **SCOPE AND EXCLUSION:**

- This Vigil Mechanism and Whistle-blower Policy (the "Policy") sets out the procedure to be followed when making a disclosure.
- This Policy applies to all Employees, regardless of their location. Violations will result in appropriate disciplinary action.

### **APPLICABILITY:**

- This Mechanism applies to the following:
  - All the Directors
  - All the employees and ex-employees and their representative bodies of different departments of the Company
  - All the Business Associates of the Company

### **COMPLIANCE WITH LAWS, RULES AND REGULATIONS:**

- Section 177 of the Companies Act, 2013 and regulation 22 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 inter-alia provides for a requirement for all listed companies to establish a mechanism called 'Vigil Mechanism' for all the Directors and employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.
- Accordingly, this Vigil Mechanism is required to provide adequate safeguards against victimization of persons who use such mechanisms and also to ensure direct access to the Ethics Committee or Chairman of the Audit Committee in appropriate or exceptional cases.

### **DEFINITIONS:**

The definitions of some of the key terms used in this Policy are given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code.

- a. **“Associates”** means and includes vendors, suppliers and others with whom the Company has any financial or commercial dealings.
- b. **“Audit Committee”** means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with regulation 18 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.
- c. **“Employee”** means every employee of the Company, including the directors in the employment of the Company.
- d. **“Code”** means the Code of Conduct.
- e. **“Director”** means every Director of the Company.
- f. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Ethics Counsellor/Chairman of the Audit Committee and include the auditors of the Company.
- g. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- h. **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- i. **“Whistleblower”** means an Employee or director making a Protected Disclosure under this Policy.

#### **POLICY OBJECTIVES:**

- The Company is committed to developing a culture where it is safe for directors/employees to raise concerns about any unacceptable practice and any event of misconduct.
- The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its directors/employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.
- The Vigil (Whistle Blower) Mechanism provides a channel to the employees and directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code or Policy. The mechanism provides for adequate safeguards against victimization of employees and Directors who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

- The mechanism/policy neither releases employees and directors 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 or with a mala fide intent.

#### **THE GUIDING PRINCIPLES:**

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

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

#### **COVERAGE OF POLICY:**

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

- Alleged wrongful conduct;
- Abuse of authority;
- Breach of contract;
- Negligence causing substantial and specific danger to public health and safety;
- Manipulation of company data/records;
- Financial irregularities, including fraud, or suspected fraud;
- Criminal offence,
- Pilferation of confidential/propriety information;
- Deliberate violation of law/regulation including Insider Trading;
- Misuse/misappropriation of Company's funds/assets;
- Breach of Company's Code of Conduct or Rules; and
- Any other unethical, biased, favoured, imprudent event.

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

## **DISQUALIFICATIONS:**

- While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable for disciplinary action under the Company's Code of Conduct besides being disqualified from reporting further Protected Disclosures. In case of repeated frivolous complaints being filed by a Whistle Blower, the Audit Committee may take suitable action against such person including reprimand.

## **POLICY:**

### **Responsibility to Report:**

- Protected Disclosures are to be made whenever an employee becomes aware of Reportable Matter. The Protected Disclosure should be made promptly upon the Employee becoming aware of the Reportable Matter. Reportable Matters should be made pursuant to the reporting mechanism described in below section.
- The role of a Whistle-blower is limited to making a Protected Disclosure. A Whistle-blower should not engage in investigations concerning a Reportable Matter that is the subject of a Protected Disclosure. Neither should a Whistle-blower become involved in determining the appropriate corrective action that might follow from the submission of a Protected Disclosure.

### **Receipt and disposal of Protected Disclosures:**

- Whistle Blowers can make Protected Disclosure to the company as soon as possible but not later than 30 consecutive days after becoming aware of the same. The Protected Disclosure should be factual and neither speculative nor 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.
- All Protected Disclosures against Employees (except Vigilance Officer) should be addressed to the Company or to the Chairman of the Audit Committee in appropriate or exceptional cases.
- Whistle Blower must put his/her name to Protected Disclosure.

- Anonymous/Pseudonymous Protected Disclosures shall not be entertained.
- If initial/preliminary enquiries by the company indicate that the concern has no basis, or it is not a matter to be further investigated or pursued under this Policy, it may be dismissed at this stage and the decision will be documented.
- Where initial enquiries indicate that further investigation is necessary, this will be carried. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings will be made.
- Name of the Whistle Blower shall not be disclosed unless otherwise required under any law or regulation or by a competent court of law.
- The company shall make a detailed written record of the Protected Disclosure. The record will, inter alia, include:
  - Facts of the matter;
  - Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
  - Whether any Protected Disclosure was raised previously against the same Subject;
  - The financial/otherwise loss which has been incurred/would have been incurred by the Company;
  - Findings of the Investigation Person; and
  - The recommendations on disciplinary/other action(s).
- The Chairman of the Audit Committee shall discuss the matter who shall either:
  - In case the Protected Disclosure is proved, accept the findings and take such disciplinary action as he may think fit and take preventive measures to avoid reoccurrence of the Alleged wrongful conduct;
  - In case the Protected Disclosure is not proved, extinguish the matter;

OR

  - Depending upon the seriousness of the matter, Chairman of the Audit Committee may refer the matter to the Board of Directors with proposed disciplinary action/counter measures. The Board of Directors, if thinks fit, may further refer the matter to the Audit Committee for necessary action with its proposal.