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## **Vigil Mechanism / Whistle Blower Policy**

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### 1. PREAMBLE :

Jocil Limited (JOCIL or the Company) believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct or violation of law in force. Accordingly, the Company has adopted a Code of Conduct (CoC) for Directors and Senior Managers, which lays down the principles and standards that should govern the actions of the Directors and Senior Managers. Any actual or potential violation of the CoC, howsoever insignificant or perceived as such, is a matter of serious concern for the Company and pointing out such violations of the CoC cannot be undermined. Section 177 (9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement requires all listed companies to establish a mechanism called the 'Vigil Mechanism / Whistle Blower Policy' for Directors and Employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of CoC. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

### 2. POLICY

In compliance of the above requirements, Jocil Limited, being a listed company has established a Vigil Mechanism / Whistle Blower Policy in order to provide a mechanism for Directors and Employees of the Company to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the CoC. The Board of Directors at its meeting held on January 30, 2015 approved this Policy.

The policy 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.

### 3. OBJECTIVES

- i) To encourage Directors and Employees of the Company to bring ethical and legal violations they are aware of to an internal authority so that action can be taken immediately to resolve the problem.
- ii) To minimise the organization's exposure to the damage that can occur when Employees circumvent internal mechanisms.
- iii) To let Employees know the organization is serious about adherence to CoC.

#### 4. DEFINITIONS

- a. '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 Clause 49 of the Listing Agreement with the Stock Exchanges.
- b. 'Protected Disclosure' means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- c. '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.
- d. 'Whistleblower' means a Director or Employee making a Protected Disclosure under this Policy.
- e. 'Employee' means every employee of the Company.
- f. 'Managing Director' means the Managing Director of the Company.
- g. 'Code of Conduct' means code of conduct applicable to Directors and code of conduct applicable to Senior Managers of the Company.

#### 5. SCOPE

- a. The Policy generally covers malpractices and events which have taken place / suspected to take place involving.
  - Abuse of authority.
  - Breach of contract.
  - Negligence causing substantial and specific danger to public health and safety
  - Manipulation of Company's data / records
  - 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.
  - Any unlawful act whether Criminal / Civil.
  - Pilferage of confidential / propriety information.
  - Deliberate violation of law / regulation
  - Wastage / misappropriation of Company's funds / assets

- Breach of Company Policy or improper practice of the Company's policies or procedures, failure to implement or comply with any approved Company Policy
  - Wilful negligence of assigned duties that could result in damage / loss to the Company.
- b. The Whistleblower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- c. Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Managing Director or the Chairman of the Audit Committee.
- d. Protected Disclosure will be appropriately dealt with by the Managing Director or Chairman of the Audit Committee as the case may be.

## 6. ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosure under the Policy in relation to matters concerning the company.

## 7. PROCEDURE

- a. All Protected Disclosures should be addressed to the Managing Director of the company or to the Chairman of the Audit Committee [in appropriate or exceptional cases as provided under Sec. 177(9) of the Companies Act, 2013] whose contact details are as under :

Shri J. Murali Mohan,  
 Managing Director,  
 Jocil Limited,  
 Box 216, Arundelpet P.O.  
 GUNTUR – 522 002, AP.  
 Phone No. 0863-2290190 / 191 / 192

Shri V.S. Raju,  
 Chairman of the Audit Committee,  
 Advocate,  
 106, Dhanunjaya Towers,  
 Main Road, Banjara Hills,  
 HYDERABAD - 500 034.  
 Ph.No. 040-66668807

- b. The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be superscribed as **“Protected disclosure under the Whistle Blower Policy”** or sent through email with the subject **“Protected disclosure under the Whistle Blower Policy”** to md@jocil.com. If the complaint is not superscribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

- c. If a Protected Disclosure is received by any Director or Executive of the Company, the same should be forwarded to the Managing Director for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- d. Protected Disclosure 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 Telugu.
- e. 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 and the urgency of a preliminary investigation.
- f. The Whistle Blower must disclose his or her identity in the Protected Disclosure. Anonymous disclosures will not be entertained.

## 8. INVESTIGATION

- a. All Protected Disclosures under this policy will be recorded in a Register and thoroughly investigated. The Managing Director will carry out an investigation either himself or by involving any other Officer of the Company / Committee constituted for the same / an outside agency before referring the matter to the Audit Committee of the Company.
- b. The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other / additional Officer of the Company and / or Committee and / or an outside agency for the purpose of investigation.
- c. The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.
- d. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.
- e. Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his concern / interest forthwith and shall not deal with the matter.
- f. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- g. Subjects shall have a duty to co-operate with the investigators during investigation to the extent that such cooperation will not compromise self incrimination protections available under the applicable laws.
- h. Subjects shall be free at any time to engage counsel at their own cost to present them in the investigation proceedings.

- i. Subjects have a right to be informed of the outcome of the investigation.

## 9. PROTECTION

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his having reported a Protected Disclosure under this policy. Adequate safeguards against victimization of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- b. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## 10. DISQUALIFICATIONS

- a. 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.
- 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 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 Managing Director / Audit Committee would reserve its right to take / recommend appropriate disciplinary action.

## 11. DECISION AND REPORTING

- a. If an investigation by a Managing Director leads to a conclusion that an improper or unethical act has been committed he shall report to the Chairman of the Audit Committee. The Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit. However, such a disciplinary or corrective action initiated against the subject 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.
- b. The Managing Director shall submit a periodical report with number of Protected Disclosures received under the Policy and their outcome to the Audit Committee and the Board.

## 12. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly.

### 13. COMMUNICATION

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

### 14. 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 minimum period of seven years.

### 15. CONFIDENTIALITY

The Complainant, Managing Director, Members of Audit Committee, the Subject and everybody involved in the process shall :

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

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

### 16. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and Employees unless the same is communicated in the manner described as above.

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