

1) Introduction:

Nagarjuna Agrichem Limited (NACL) (the Company) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has been adopting / enunciating / formulating necessary Codes of Conduct / rules / policies, which lays down the principles and standards that should govern the actions of the Company and its employees from time to time. Any actual or potential violation of such Code /Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of such codes / policies cannot be undermined. There is also provision under this policy as well, requiring employees to report violations.

2) Legal Background:

- a) Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of Companies to constitute a Vigil Mechanism –
 - i) Every listed Company;
 - ii) Every other Company which accepts deposits from the public;
 - iii) Every Company which has borrowed money from banks and public financial institutions in excess of Rs. 50 Crores.
- b) Further, Clause 49 of the Listing Agreement, mandates:
 - i) The Company shall establish a Vigil Mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.
 - ii) This mechanism should also provide for adequate safeguards against victimization of Director(s) / employee(s) who avail of the

mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

- iii) The details of establishment of such mechanism shall be disclosed by the Company on its website and in the Board's report.
- c) Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for Directors and employees of the Company to approach the Ethics Committee / Chairman of the Audit Committee of the Company.

3) Definitions:

- a) "Audit Committee" means An audit committee is an operating committee formed by the Board of Directors in accordance with Section 177 of the Companies Act, 2013 and delegated with the powers of overseeing the financial reporting and disclosure.
- b) "Adverse Personnel Action" means An employment-related act or decision or a failure to take appropriate action by Managerial Personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.
- c) "Alleged Wrongful Conduct" means Alleged Wrongful Conduct shall mean violation of law, infringement of Company's Code of Conduct or ethic policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- d) "Board of Directors" means A group of individuals elected or appointed by the members who jointly oversee the activities of the Company.
- e) "Company" means Company means "Nagarjuna Agrichem Limited."
- f) "Code of Conduct" means A set of rule outlining the responsibilities of or proper practices for an individual, party or organization. In this case, it refers to adopting / enunciating / formulating necessary Codes of

Conduct / rules / policies, which lays down the principles and standards that should govern the actions of the Company and its employees from time to time and also includes NACL's Code of Conduct for Senior Management and Directors.

- g) "Compliance Officer" means Compliance Officer means "Company Secretary".
- h) "Employee" means Employee means every employee of this Company (whether working in India or abroad), including the Directors in the employment of the Company.
- i) "Ethics Committee" means Selected group of employees of the Company who are authorized to receive whistleblower complaints internally.
- j) "Good Faith" means 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 of 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.
- k) "Investigators" means those persons authorized, appointed, consulted or approached by the Ethics Committee/Chairman of the Audit Committee and include the Auditors of the Company and the Police.
- l) "Managerial Personnel" shall include Director, all Executives at the level of Manager and above, who has authority to make or materially influence significant personnel decisions.
- m) "Policy or This Policy" means the "Whistle Blower Policy."
- n) "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information which may evidence of any fraud, unethical or improper activity within the Company.

- o) “Suspect” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- p) “Unethical and Improper Practices” means:
- i) An act which does not conform to approved standard of social and professional behavior;
 - ii) An act which leads to unethical business practices;
 - iii) Improper or unethical conduct;
 - iv) Breach of etiquette or morally offensive behavior;
 - v) May lead to incorrect financial reporting;
 - vi) Are not in line with applicable Company policy;
 - vii) Are unlawful;
 - viii) Manipulation of company data / records;
 - ix) Disclosure of confidential / Proprietary information to Unauthorized Personnel;
 - x) Any instances of misappropriation of Company assets etc.,
- q) “Whistle Blower” means an employee or a Director of the Company who discloses in good faith any unethical & improper practices or alleged wrongful conduct to the Ethics Committee or in exceptional cases to the Chairman of the Audit Committee.

4) Policy Objectives:

- a) The Company is committed to developing a culture where it is safe for all employees to raise concerns about any unethical, fraud and unacceptable practice and any event of misconduct.
- b) 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 employees who have concerns

about suspected misconduct to come forward and express these concerns without fear or punishment or unfair treatment.

- c) A Vigil (Whistle Blower) Mechanism provides a channel to the employees and Directors to report to the Ethics Committee concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or Policies Rules & Regulations. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.
- d) 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.

5) Eligibility:

All employees and Directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

6) Disqualifications:

- a) While it will be ensured that genuine Whistleblowers 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 a 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 Company / Audit Committee would reserve its right to take / recommend appropriate disciplinary action.

7) Procedure:

- a) All the Protected Disclosures should be addressed to the Ethics Committee, except those exceptional / special cases where it should be addressed directly to the Chairman of the Audit Committee. The Ethics Committee shall inform to the Chairman of the Audit Committee, about the cases referred to it, from time to time.
- b) In respect of Protected Disclosures, against the Ethics Committee should be addressed to the Chairman of the Audit Committee.
- c) The contact details are as under:
 - i) *Chairman of the Audit Committee:*
Mr.D.Ranga Raju, Audit Committee Chairman,
Res. Address: 503, A-Block, 5th Floor, Paradise Apartment,
Seetammadhara, Vishakapatnam – 530013 (AP)
E-mail : rangaraju@vblbiotech.com,
Tel: (0891) 2731634 ; Mob: (0) 9866621213
 - ii) *Contact details of the Ethics Committee:*
Mr.R.K.S.Prasad, CFO, Chairman of Ethics Committee
Nagarjuna Agrichem Limited,
Plot No.12-A, C-Block, Lakshmi Towers,
Nagarjuna Hills, Punjagutta, Hyderabad – 500082 (TS)
E-mail : rksprasad@nagarjunaagrichem.com
Tel:(040)33605171; Mob: (0)9701301919
- 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, Hindi or in the regional language of the place of employment of the Whistleblower.
- e) The Protected Disclosure should be forwarded under a covering letter (as per the Format annexed herewith) which may bear the identity of the Whistleblower. The Chairman of the Audit Committee / Ethics

Committee, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

- f) 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 investigative procedure.
- g) The Whistleblower may disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures shall not be entertained in any case, as it is not be possible to interview the Whistleblowers and grant him/her the protection under the policy.
- h) The Ethics Committee shall dispose of the complaint received from whistleblower within 45 days from the date of receipt of such Disclosure and the same shall be communicated to the Audit Committee and to the Whistleblower.

8) Protection for Whistleblower:

- a) The Company will ensure that the identity of the whistleblower will be kept anonymous and confidential to the extent possible, unless required by law or in legal proceedings.
- b) Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the Whistleblower.
- c) The Ethics Committee and the Audit Committee would safeguard the Whistleblower from any adverse action. This includes discrimination, victimization, retaliation, demotion or adoption of any unfair employment practices.
- d) Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a Whistleblower.

- e) A Whistleblower may not be granted protection under this mechanism if he/she is subject of a separate complaint or allegations related to any misconduct.
- f) If a complainant believes that she or he have been treated adversely as a consequence of their use of the Vigil mechanism can approach the Chairman of the Audit Committee in confidence. The contact information for the Chairman of the Audit Committee is provided herein this document.

9) Ethics Committee:

- a) The Ethics Committee shall comprise of atleast 3 members viz: CFO (Ex-Officio), Head – HPD (Ex-officio) and Company Secretary (Ex-Officio). The Ethics Committee is hereby constituted with the following members:
 - i) CFO : Chairman
 - ii) Sr. Vice-President / President – HPD : Member
 - iii) Company Secretary & Head-Legal : Member
- b) The Audit Committee shall have the power and authority to re-constituted the Ethics Committee as and when required (may be due to resignation / superannuation of the concerned Member).
- c) The Ethics Committee shall be responsible for dealing with the complaints received from the whistle blower.
- d) The Ethics Committee shall appoint investigation officers as and when it deem necessary.
- e) Ethics Committee shall take necessary actions to ensure maintaining the confidentiality within organization on issues reported.
- f) Ethics committee would be responsible for recommending disciplinary or corrective action to the relevant Board / Committee against the suspect, if investigation proves to be in favor of the allegation raised by the Whistleblower.

- g) All the actions taken by the Ethics Committee shall be informed to the Chairman of the Audit Committee on a regular basis.
- h) Ethics Committee shall inform the whistle blower the progress of the Protected Disclosure given by him after the completion of the investigation.
- i) Ethics Committee shall take necessary actions to ensure protecting the Whistleblower from any ill affects / ill treatment arisen due to such reporting / disclosures.

10) Coverage of the Vigil Mechanism under this Policy:

All Employees or Directors can raise concerns regarding malpractices and events which may have negative impact on the Company, more particularly on the following matters:

- a. Inaccuracy in maintaining the Company's books of account and financial records.
- b. Financial misappropriation and fraud.
- c. Procurement fraud.
- d. Conflict of interest.
- e. False expense reimbursements.
- f. Misuse of Company assets & resources.
- g. Inappropriate sharing of Company sensitive information.
- h. Corruption, Bribery / Malpractices.
- i. Insider Trading.
- j. Unfair trade practices & anti-competitive behavior.
- k. Non-adherence to safety guidelines.
- l. Sexual harassment.
- m. Child labor.
- n. Discrimination in any form.

o. Violation of human rights.

11) Investigators:

- a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Ethics Committee / Audit Committee Chairman when acting within the course and scope of their investigation.
- b) Technical and other resources may be drawn upon, as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c) Investigations will be launched only after a preliminary review which establishes that:
 - i) the alleged act constitutes an improper or unethical activity or conduct, and
 - ii) either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review.

12) Investigation:

- a) The investigation would be carried out to determine the authenticity of the allegations and for fact-finding process.
- b) The investigation team should not consist of any member with possible involvement in the said allegation.
- c) During the course of the investigation:
 - i) ethics Committee or the Audit Committee Chairman as the case may be, shall have the authority to take decision related to the investigation.
 - ii) any required information related to the scope of the allegation would be made available to the investigators.

d) the findings of the investigation should be submitted to the Ethics Committee or the Audit Committee Chairman as the case may be, by the investigator with all the supporting documents.

13) Disciplinary Actions:

- a) Disciplinary action up to and including temporary / permanent termination from the Service of the Employee and / or lodge a Police complaint if necessary against the Suspect depending on the results of the investigation for initiating necessary legal actions; or
- b) If the Disclosure made by the Whistleblower is found malicious or otherwise in bad faith, then the after giving three such frivolous / malicious Disclosures, shall take Disciplinary actions up to and including termination from the service of employee; or
- c) Such other disciplinary actions as the Ethics Committee may recommend to the Management, as it deem fit and proper.

14) Decision:

If an investigation leads the Ethics Committee Chairman / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Ethics Committee Chairman / Chairman of Audit Committee shall recommended to the Management of the Company to take such disciplinary or corrective action as the Ethics Committee Chairman / Chairman of Audit Committee deems fit and proper. It is clarified that any disciplinary or corrective action initiated and the disciplinary procedures thereof, against the Suspect or Whistleblower as the case may be, as a result of the findings of an investigation pursuant to this Policy shall be adhered to, by the concerned Personnel or Staff and the Management.

15) Notification or Communication:

This Whistle Blower Policy will not be effective unless it is properly communicated to all the employees of the Company. This policy shall be published on the website of the Company for the information of all

concerned, and any further changes or amendments to the policy shall also be published on the same way.

16) Reporting:

The Ethics Committee shall submit a report to the Audit Committee on a regular basis about all Protected Disclosure referred to him/her since the last report together with the results of investigations, if any.

17) Powers of the Board of Directors:

The Board of Directors is responsible for the administration, interpretation, application and review of the Whistle Blower Policy. The Board of Directors is empowered to make necessary amendments / modifications to this policy wherever it is necessary, after considering the observation or views of the Audit Committee.

18) Retention of Documents:

All Protected Disclosures made by the Complainants and the results of the Investigation shall be retained by the company for further correspondence for a period of 5 years or such other period as may be decided by the Audit Committee or the time specified by any other law for the time being in force.

19) Amendment

- a) The Company has the right to modify or amend the policy at any time without any restrictions or explanations, on due adherence of the clause 16 of this policy and such modifications or amendments shall not be binding on the employees of the Company unless it is notified to them by publishing as per clause 14 *ibid*.
- b) In case of any subsequent changes in the provisions of the Companies Act, 2013, or any other regulations or Listing Agreement, which makes any of the provisions in the Policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

- c) This policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee.
- d) Any changes or modification(s) in the policy as recommended by the Committee would be presented for approval of the Board of Directors.

20) Effective Date:

This policy has been formulated by the Company, reviewed and recommended by the Audit Committee, and adopted by the Board of Directors. This policy shall be operational with effect from 01st October, 2014.

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Annexure -I

FORMAT COVERNG LETTER FOR WHISTLE BLOWING

Date	:	
Name of the Employee/Director	:	
E- mail id of the employee/Director	:	
Communication Address	:	
Contact No	:	
Subject matter which is reported	:	
(Name of the person/ event focused at)	:	
Brief about the concern	:	
Evidence (enclose, if any)	:	

Signature