

THE INDIA CEMENTS LIMITED CHENNAI

POLICY ON VIGIL MECHANISM

(as amended)

1.0 INTRODUCTION

The Company's Policies aim at the attainment of the highest levels of transparency, accountability and responsibility in all operations and interactions with its Shareholders, Investors, Lenders, Employees, Government and other stakeholders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, consistently over a sustained period of time by adopting highest standards of professionalism, honesty, integrity and with proper moral, legal and ethical behaviour. In order to maintain these standards, the Company encourages open communication and has framed this Vigil Mechanism Policy to provide Directors and Employees a frame work for responsible and secure Mechanism to report genuine concerns in such manner as may be prescribed. This Policy is in line with the provisions of Section 177(9) and (10) of the Companies Act, 2013 and the Rules made thereunder and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2.0 DEFINITIONS

- (a) "Act" means The Companies Act, 2013 and the Rules made thereunder including any statutory modifications or re-enactments thereof for the time being in force.
- (b) "Audit Committee" means the Committee constituted by the Board of Directors of the Company in terms of Section 177 of the Companies Act, 2013 and Rules made thereunder and under Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (c) "Authorised Official" means an official of the Company nominated / appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the result thereof.
- (d) "Board" or "Board of Directors" means collective body of Directors of the Company.

- (e) “Code” or “Code of Conduct” means India Cements (ICL) Code of Conduct for Directors and Senior Management.
- (f) “Company” means The India Cements Limited.
- (g) “Director(s)” means a person as defined in Section 2(34) of the Act.
- (h) “Employee” means every employee of the Company, including Directors in the employment of the Company.
- (i) “Policy” means Policy on Vigil Mechanism formulated by the Company.
- (j) “Protected Disclosure” means any communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity, with respect to the Company. The disclosures should be factual and not speculative and contain specific information as may be possible in order to ascertain the nature and the impact of the matter.
- (k) “Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations] and any amendments made thereto.
- (l) “Vigilance Officer” means an official of the Company nominated / appointed by the Managing Director for the purpose of this policy.
- (m) “Vigilance Committee or Committee” means a Committee constituted by the Managing Director with two or more official(s) as its members for the purpose of this policy.
- (n) “Website” means Website of the Company viz., www.indiacements.co.in.
- (o) “Whistle Blower” means a Director or an employee, who makes a protected disclosure under this Policy.

3.0 RATIONALE

The Company has always been encouraging its employees to give constructive criticism and suggestions, which will better its overall prospects and various stakeholders. The Company will continue to adopt this as a corner stone of its personnel Policy. Every employee is encouraged to participate closely in the progress and development of the Company and offer constructive criticism. In the process of doing this, the employee is fully protected from vested interests through objective and dispassionate approach by the top management in evaluating a suggestion or countering a criticism, irrespective of the level or grade of the employee concerned through a system of bouquets and brickbats.

While discipline and protocol are important, every employee is encouraged to air his / her views by providing him / her a platform in the form of meetings of sections, departments and Committees and by way of encouragement to make presentations to senior management. Besides regular meetings at periodical intervals, there is an annual brainstorming sessions extending to 3 days, where the suggestions are discussed. This is done with an objective that every suggestion leads to improvement unless proved otherwise. By making an employee to participate in decision making rather than ordering him / her to implement decisions has a positive impact across the board, thereby eliminating frivolous and baseless criticisms. The invitation extended to executives at different levels to attend and even participate on occasions in the Board and Board Committee meetings is a case in point. The entire senior management is represented at Audit Committee meetings. The auditors are also invited to be present at these meetings. This has by and large stood the Company in good stead over the years and we are sure that this will be the case in future also.

4.0 OBJECTIVE

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel and the same is hosted on the Company's website.

Every employee of the Company shall promptly report to the management when he/she becomes aware of any actual or possible violation of the Code or misconduct or any act which is against the interest of the Company and its operations.

The objective of this Policy is to establish a Mechanism, by which any actual or potential violation of the Code, howsoever, insignificant or perceived as such, is a matter of serious concern for the Company. Such a mechanism provide for adequate safeguards against victimization of persons, who avail such Mechanism and provide for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

5.0 SCOPE AND APPLICABILITY

The Company persuades all the stakeholders associated with it to follow the principles of ethics, moral and legal conduct of business and gives importance to corporate governance, besides adhering to the highest

standards of transparency, accountability in all its operations. In order to maintain these standards, the Company encourages its employees who have genuine concerns to come forward and express the same without fear or unfair treatment.

This Policy aims to cover the following and is applicable to all Directors and Employees of the Company.

- a) Disclosure of genuine concerns on any unethical and improper or malpractices and events, which have taken place / suspected to take place in the Company.
- b) Disclosure of genuine concerns on financial irregularities, misappropriation of funds including fraud or suspected fraud, manipulation or falsifying companies records and data, pilferation of confidential data/ information of the Company.
- c) Disclosure of genuine concerns on violation of the Company's Code of Conduct and / or any other violation under the Act, Rules and Regulations, applicable to the Company.

6.0 REPORTING MECHANISM

All protected disclosures should be reported in writing by the whistle blower once he / she becomes aware of the same and the same should be submitted in a closed / secured envelope addressed to the Authorised Official of the Company or to the Chairman of the Audit Committee in exceptional cases. The same can also be sent by email to Mr.G.Anandanarayanan, the Authorised Official of the Company, to his id: anand@indiacements.co.in.

Anonymous/fictitious/pseudonymous disclosures shall not be entertained.

7.0 PROCEDURE AND INVESTIGATION

- a) All protected disclosures under this Policy will be recorded and investigated thoroughly. The Authorised Official shall determine whether the protected disclosure is maintainable and supported by specific information/ documents and initiate investigation only on establishing that the alleged act constitutes an improper or unethical activity or conduct and may call for further information or particulars from the whistle blower for the purpose of initiating/conducting investigation and in case, such disclosure is not established, extinguish the matter.

- b) The Authorised Official shall analyze and examine all such disclosures and depending on the importance either decide the matter himself or in consultation with the Managing Director refer the matter to the Vigilance Officer / Committee.
- c) For the purpose of investigation, the Vigilance Officer/Committee, if deems fit, may call for further information or particulars from the whistle blower and at his/its discretion, consider involving any other official of the Company depending on the seriousness of the matter.
- d) The investigation shall be completed within the time frame, as may be decided by the Company, from the date of receipt of such protected disclosures. On conclusion of the investigation, the Authorised official/Vigilance Officer/ the Committee constituted in this regard, shall submit the report to the Audit Committee.
- e) Any member of the Committee or Audit Committee or any other Official of the Company having any conflict of interest with such protected disclosures should not be present / involved, when such matters are discussed and dealt with by the Committee or Audit Committee.
- f) The decision of the Audit Committee will be final and binding. The Audit Committee, depending on the importance, may also place the findings before the Board / Managing Director with its recommendations to decide the matter as it / he deems fit.
- g) If any violation has been established, on conclusion of such investigation, the Company will take appropriate remedial / corrective action commensurate with the nature and impact of the offence. The Company will also initiate necessary steps to prevent occurrence of any such violations in future.

8.0 PROTECTION

The identity of the whistle blower shall be kept confidential. The Company will adopt its best practices to protect the whistle blowers against any retaliation / victimization. The whistle blowers will be protected from any kind of harassment, discrimination or subject to any unfair treatment or practice like threat of termination or suspension, transfer or demotion or any disciplinary action or any unfair employment practices.

While the aforesaid complete protection is provided to the genuine whistle blowers, the same is not the case for one making any false or bogus allegations with mala fide intentions and such instances are subject to the disciplinary action of the Company.

9.0 ROLE AND RESPONSIBILITY

The whistle blowers and others involved in the process shall require to maintain confidentiality of the matter and not to discuss the same with others or in any other formal and/or informal gatherings or meetings. The documents and other papers connected therewith shall also be kept confidential and not to be shared, parted or submitted to anyone other than the persons involved for the purpose of completing the investigations. If the person(s) involved, not complying the confidentiality, shall be liable for such disciplinary action as may be considered necessary.

10.0 AMENDMENT OF POLICY

No Policy can be static and may have to be reviewed periodically, in the light of any new developments necessitating a change. Accordingly, this Policy on Vigil Mechanism will also be reviewed by the Board of Directors as and when required to ensure that the Policy remains effective and meets its objectives. This Policy (as amended from time to time) shall be hosted on the website of the Company.

**N.SRINIVASAN
VICE CHAIRMAN &
MANAGING DIRECTOR**

Date: 11.02.2019