



FACOR ALLOYS LIMITED

WHISTLE BLOWER POLICY

(As approved by the Board of Directors on 10TH November 2014)



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Effective from 1st April 2014

TERMS OF REFERENCE

1. Preface:-

The Company is committed to conducting its business and affairs by adopting highest standards of professionalism, honesty and ethical behavior. The Company is also committed to provide safe and ethical working culture for all the employees.

As per provisions of sub-section 9 of Section 177 of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, it is mandatory for all listed companies to establish a Vigil Mechanism, so that their directors and employees can report any instance of unethical behavior or improper activity.

Also as per amended Clause 49 of Listing Agreement, w.e.f 1st October, 2014, all listed Companies are required to formulate "Whistle Blower Policy" for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.

This policy has been formulated with a view to provide employees a framework to raise their concerns about serious irregularities in company with protecting their identities.

2. Definitions:-

The definitions of some of the key terms used in this Policy are given below:

- i. **"Audit Committee"** means the Audit Committee 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 Exchange.
- ii. **"Competent Authority"** means the Joint Managing Director of the Company and will include the person(s) to whom he delegates any of his powers under this policy from time to time.
- iii. **"Employee"** means every employee of the Company, including the Directors in the employment of the Company.
- iv. **"Investigators"** mean those persons authorised, appointed, consulted or approached by the Competent Authority for assistance in investigation of Protected Disclosure and include the auditors of the Company and the police.

- v. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- vi. **“Subject”** means an individual or group of individuals against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- vii. **“Unethical or improper activity”** means but not limited to:-
 - a) Abuse of authority.
 - b) Breach of contract.
 - c) Manipulation of company data/records.
 - d) Any unlawful act whether Criminal/ Civil.
 - e) Intentional Financial irregularities, including fraud or suspected fraud.
 - f) Gross or Willful Negligence causing substantial and specific danger to health, safety and environment.
 - g) Misconduct with other Directors/ Business partners/ employees or vulnerable adults (e.g. through physical, sexual, psychological or financial abuse, exploitation).
 - h) Wastage/misappropriation of company funds/assets.
 - i) Violation of Company policies.
 - j) Pilferation of confidential/propriety information.
- viii. **“Whistle Blower”** is someone who makes a Protected Disclosure under this Policy.

3. Eligibility:-

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or any of its subsidiaries.

4. 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 allegations made by a Whistle Blower knowing it to be false or with a *mala fide* intention.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or *malicious* or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy and shall be liable to disciplinary action.

5. Procedure:-

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English or Hindi or regional language of place of employment of the Whistle Blower.

Anonymous disclosures, as a rule, will not be entertained.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower policy**” or sent through email with the subject “**Protected disclosure under the Whistle Blower policy**”. If the complaint is not super scribed and closed as mentioned above, it will not be possible to provide protection to the Whistle Blower as specified under this policy.

All Protected Disclosures should be addressed to the Competent Authority of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Competent Authority are as under:-

| | |
|-------------------------|--|
| Name and Address | Mr. M.S.S. Sarma Facor Alloys Limited Shreeramnagar-535101 (A.P.) |
| e-mail id | sarmamss57@rediffmail.com |

The Competent Authority shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

6. Investigation and Role of Investigators:-

- a) The matter raised may be investigated internally or referred to an external investigator depending on the nature of the concern raised by Whistle Blower.
- b) The decision to conduct an investigation taken by Competent Authority is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- c) 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.
- d) Subjects shall have a duty to co-operate with the Competent Authority or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- e) Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.

- f) Subjects have a right to be informed of the outcome of the investigation.
- g) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure and any delay beyond 45 days shall be justified in the investigation report.

The Role of Investigators shall be as follows:

- i. Investigators are required to conduct a process towards fact-finding and analysis.
- ii. All Investigators shall be independent and unbiased both in fact and as perceived.
- iii. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- iv. Investigations will be launched only after a preliminary review by the Competent Authority.
- v. Investigators shall maintain strict confidentiality all the time.
- vi. Investigator shall derive the outcome of the inquiry and recommend appropriate course of action.
- vii. Investigators shall submit their report to the Competent Authority.

7. Decision:-

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Competent Authority shall recommend to the management of the Company to take disciplinary or remedial action under the provision of applicable Service Rules and / or initiate action under applicable statutory provisions.

Any disciplinary or remedial 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.

If the Competent Authority is of opinion that the investigation discloses that no further action on the protected disclosure is warranted, it shall so record in writing.

8. Reporting:-

A quarterly report with number of complaints received under the Policy, investigation conducted and their outcome shall be placed before the Audit Committee.

The Audit Committee shall have power to review any action or decision taken by the Competent Authority.

9. Protection:-

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers.

The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

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. Confidentiality:-

All concerns and issues raised under this policy shall be treated in a confidential manner except to the extent necessary to conduct a complete, fair and effective investigation.

The Whistle Blower, the Subject, Competent Authority, members of Audit Committee, Investigators and everyone involved in the process shall maintain complete confidentiality/ secrecy of the matter.

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

11. 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.

12. Amendment:-

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Any amendment to the policy shall take effect from the date when approved by the Board of Directors of the Company and hosted on the Company's website.