

WHISTLE BLOWER POLICY / VIGIL MECHANISM

BALAJI AMINES LIMITED

(Last updated on 31st August, 2023)

I. PREFACE

Balaji Amines Limited ('BAL') is an ISO 9001:2015 accredited company with a unique positioning in the field of manufacture of specialty chemicals, aliphatic amines and its derivatives, addressing the needs of APIs, agrochemicals, rubber chemicals, water treatment chemicals, refineries and other industries in the domestic and global markets.

BAL is one of the leading ISO Certified Asian Leader and manufacturer of Aliphatic Amines, Derivatives and Specialty Chemicals in the country.

BAL is first company in India to develop and commercialize various Specialty Chemical Products which are based on in-house R&D initiatives for which the Govt. of India, Ministry of Science & Technology has given "In-house R&D Recognition". Some of the products/Processes being developed are first time in India as well as among few producers in the World.

BAL has built a state-of-art plant for Methyl Amines which is the largest plant in India.

BAL's plants have been developed indigenously and continually revamped over the last two decades to maximize productivity levels with minimum capital outflow and optimal utilization of utilities and raw materials. With its unrelenting in-house R&D endeavor, the company has developed and launched several new products over the years, on par with the world's best in quality and at comparable costs.

BAL believes in conducting its business in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The organization is committed to comply with the laws and regulations to which it is subjected. For this, it has put in place systems, policies and processes to interpret and apply these laws and regulations in the organizational environment. These systems would help to strengthen and promote ethical practices and ethical treatment of all those who work in and deal with the organization.

The organization's internal controls & operating procedures are intended to detect and prevent improper activities. However, even the best of systems and controls cannot provide absolute safeguards against irregularities, Intentional and unintentional violations of the organization's policies could occur.

Therefore, it is proposed to set up a Whistle Blower Policy/Vigil Mechanism (hereinafter called the Policy).

Through this policy, the organization is providing a window through which any irregularities may be brought to light by the Employees/Directors. The information provided would be useful in making its processes and systems more robust, and sustainable.

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II. DEFINITIONS

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

a. Whistle blower:

An individual employee/Director who makes a Protected Disclosure, keeping the organization's interests in mind.

b. Employee:

Every employee of the Company (whether working in India or abroad), whether temporary, permanent or on contract, including the Directors in the employment of the Company.

c. Protected Disclosure:

Any communication made in good faith that discloses or Demonstrates an intention or evidence of an ongoing Spurious / unethical activity or any condition that may pre-empt occurrence of such activities

d. Subject:

A person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

e. Audit Committee:

Constituted by the Board of Directors of the company in accordance with the provisions of the Companies Act, 2013 and read with erstwhile Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the Stock Exchanges.

f. Investigators:

Persons authorized, consulted or approached by the Executive Chairman /Chairman of the Audit Committee -Includes the auditors of the Company and the police.

III. SCOPE

The Whistle Blower's role is that of a reporting party, with reliable information. He/ she is not required or expected to act as investigators or finder of facts. He/ she cannot determine corrective actions either. Whistle blower does not have to obtain evidence in order to support his/ her information. His/ her role is simply to "Raise the Alarm".

However, the whistle blower is expected –

- (a) to conduct a reasonable due diligence before he/she reports the matter.
- (b) to take up the matter first with the authorities immediately above him/her, unless he/she has reason to believe that they are also involved in the matter. The authorities with whom the matter can be taken up are as under:

1. Unit-I

Mr. R. Subba Sastry,
Dy. General Manager,
Address: Village: Tamalwadi
Tal: Tuljapur
Dist: Osmanabad, Maharashtra
Email Id: rss@balajiamines.in

2. Unit-III

Mr. Laxman V. Limkar,
AGM - Projects & Operations,
Address: Plot.No.E-7 & 8, M.I.D.C.
Chincholi, Tal: Mohol.
Dist: Solapur – 413 255
Email Id: agmunit3@balajiamines.in

3. Unit-IV

Mr. Govind R. Menchekare,
General Manager – Operations,
Address: F-104, M.I.D.C. Chincholi,
Taluka: Mohol, Dist: Solapur – 413 255
Email Id: grm@balajiamines.in

4. Registered Office Address:

Mr. Lakhan S. Dargad,
Company Secretary & Compliance Officer
Address: 9/1A/1, Hotgi Road,
Aasara Chowk, Solapur – 413 224.
Email Id: cs@balajiamines.com

5. Administrative Office:

Mrs. G Radhika,
Purchase Manager
Address: Balaji Bhawan, Plot No. 47, Kavuri
Hills, Behind Jubilee Ridge Hotel, Madhapur,
Hyderabad, Telangana - 500 033
Email.Id: radhika.purchase@balajiamines.com

If the whistle blower feels no remedial action is being taken or has reason to believe that they might also be involved, the matter can be taken up with the Directors as under:

**1. Mr. N. Rajeshwar Reddy,
Whole-time Director**

Address: Balaji Towers, 9/1A/1, Hotgi Road Aasara Chowk,
Solapur – 413224
Email: rajesh@balajiamines.com

**2. Mr. D. Ram Reddy,
Managing Director**

Address: Balaji Towers, 9/1A/1, Hotgi Road Aasara chowk
Solapur – 413224
Email: ram@balajiamines.com

**3. Mr. A. Srinivas Reddy,
Whole-time Director & CFO**

Address: Balaji Bhawan, Plot No. 47, Kavuri
Hills, Behind Jubilee Ridge Hotel, Madhapur,
Hyderabad, Telangana - 500 033
Email Id: srinivas@balajiamines.com

If the whistle blower feels no remedial action is being taken or has reason to believe that they might also be involved, the matter can be reported to the Executive Chairman and failing him to the Chairman of Audit Committee.

**Mr. A. Prathap Reddy
Executive Chairman**

Address: Balaji Bhawan, Plot No. 47, Kavuri Hills,
Behind Jubilee Ridge Hotel, Madhapur,
Hyderabad, Telangana - 500 033
Email Id: apr@balajiamines.com

Chairman of Audit Committee

Mr. Adabala Seshagiri Rao

Address: Flat No. 101, F Block, Raheja Vistas, Road No. 2,
IDA, Nacharam, Hyderabad-500076

Email Id: adabsgrao@gmail.com

IV. ELIGIBILITY

All employees, whether permanent or temporary or on probation or on contractual basis and the Directors are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

V. INDICATIONS TO RAISE AN ALARM

A matter can be considered serious enough for an alarm to be raised if it satisfies any of the following conditions:

- a. Serious violation of any organization-level policy, indicating that certain internal control points are weak.
- b. Exposes the organization to a significant monetary or non-monetary liability, e.g. corruption by any employee of the company.
- c. Points towards any event which is the result of criminal action e.g. Disappearance of cash/ funds.
- d. Indicates any incident/ possible incident of sexual harassment at the workplace
- e. Indicates a significant threat to the health/safety of employees/community.
- f. Any other violation/possible violation of the Balaji Amines Code of Conduct.

Exceptions:

Any matter which is an individual grievance relating to the terms and conditions of employment are to be reported to the relevant HR personnel.

VI. DISQUALIFICATION:

The following instances would constitute a violation of the Whistleblower Policy.

- a. Bringing to light personal matters regarding another person, which are in no way connected to the organization.
- b. 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 and would be taken up with utmost sternness.
- c. 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.

- d. 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.
- e. Actions against such violations could range in their severity, if necessary even extending up to termination of one's employment/ contract with the organization.

VII. PROCEDURE

- a. The Executive Chairman can be approached for reporting/voicing any non-financial/accounting violations.
- b. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- c. In respect of all other Protected Disclosures, those concerning the Executive Chairman should be addressed to the Chairman of the Audit Committee of the Company
- d. If any executive of the Company other than Chairman of Audit Committee or the Executive Chairman receives a Protected Disclosure, the same should be forwarded to the Chairman of the Audit Committee or the Executive Chairman for further appropriate action. Care must be taken to keep the identity of the whistle blower confidential.
- e. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed out or written in a legible handwriting in English, Hindi, regional language of the Whistle Blower's place of employment.
- f. The Protected Disclosure should be forwarded under a covering letter (as per annexure) and in a sealed cover, which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee/ Executive Chairman, as the case may be shall detach the covering letter and forward only the protected Disclosure to the investigators for investigation.
- g. 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.
- h. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity only in the covering letter accompanying the Protected Disclosure.

VIII. INVESTIGATION

- a. All Protected Disclosures will be thoroughly investigated by the Executive Chairman / Chairman of the Audit Committee under the authorization of the Audit Committee.
- b. Chairman of the Audit Committee/ Executive Chairman may at their discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation 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.
- d. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

- e. 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.
- f. Subjects shall have to co-operate with the Executive Chairman / Chairman of the Audit Committee or any of the Investigators to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have right to consult with a person or persons of their choice, other than the Executive Chairman / Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage their 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.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with; and witness shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

IX. INVESTIGATORS

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Chairman & Executive /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 behaviour, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee/ Executive Chairman as the case may be , which establishes that:
 - i) The alleged act constitutes an improper or unethical activity or conduct and
 - ii) The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

X. PROCESSING THE INFORMATION RECEIVED FROM WHISTLE BLOWERS- INVESTIGATION

- a. The Executive Chairman would identify issues from among the alarm raised by whistle blowers that can be diverted to some other existing channels. E.g. Sexual Harassment committee.

- b. All the issues raised by Whistle blowers shall be looked into at the Audit Committee meetings.
- c. The Secretarial & Legal Department as per instructions of the Audit Committee, shall provide a feedback to the Whistle blower on what has happened on the issue raised by him/her.

XI. PROTECTION FOR WHISTLE BLOWERS

- a. The Audit Committee / Executive Chairman are responsible to ensure that the identity of the Whistle Blower is kept strictly confidential. However, in situations where the information provided may lead to uncovering some major issues, which are legal/ criminal in nature the informer's identity may have to be produced before the Police Authorities or in a Court of Law. In such cases, the above are responsible for ensuring that the identity of the whistleblower/s are produced only to the relevant authorities and to no-one else.
- b. 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. Complete protection will, therefore be given to Whistle Blowers against any unfair practices like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- c. Whistleblowers are encouraged to immediately report any acts of retribution that have happened to them, due to the fact that they had made a disclosure of information.
- d. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee/ Executive Chairman, who shall investigate into the same and recommend suitable action to the management. This would be registered as a Concern and investigated and acted upon accordingly.
- e. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

XII. DECISION

If an investigation leads the Executive Chairman /Chairman of the Audit Committee/ to conclude that an improper or unethical act has been committed, the Executive Chairman /Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective actions as they deem fit. It is clarified that any 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.

XIII. REPORTING

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

XIV. 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.

XV. COMMUNICATION OF THE POLICY

The Secretarial & Legal Department would communicate the policy across the organization, to ensure that all concerned, understand the intent & modus operandi of this policy.

XVI. AMENDMENT

- a. The Audit Committee would review the policy and update it once in two years, or as and when a new development occurs which needs a change in the policy, whichever is sooner.
- b. Any policy update or renewal would be communicated to all the persons to whom this policy is applicable

ANNEXURE

STRICTLY CONFIDENTIAL

Date:

To,

The Executive Chairman / The Chairman of Audit Committee,

The Director,

The Company Secretary,

The General Manager,

(Strikeout whichever is not applicable)

Sir,

I wish to bring your notice of an incident (as per attached sheet) involving Mr./Ms._____.

Yours Faithfully,

(Name)

Signature

Encl. Sheet giving details of the incident.