



PRIVI SPECIALITY CHEMICALS LIMITED

(Formerly known as Fairchem Speciality Limited)

(CIN: L15140MH1985PLC286828)

Regd Off: Privi House, A-71, TTC, Near Koparkhiarne Railway Station, Navi Mumbai -400709

VIGIL MECHANISM & WHISTLEBLOWER POLICY

**(Adopted by the Board at its meeting held on
_____, _____, 2020)**

VIGIL MECHANISM POLICY

1. Preface

PRIVI SPECIALITY CHEMICALS LIMITED and its subsidiaries ("the Company") believe 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 is committed to developing a culture where it is safe for all Employees to raise concerns about any unacceptable practice and any event of misconduct. The Company will maintain a workplace that facilitates the reporting of potential violations of the Company policies and applicable laws. Any actual or potential violation of Company's policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company and hence the same should be recognized and addressed promptly. Employees must be able to raise concerns regarding such potential violations easily and free of any fear of retaliation.

Any Employee of the Company can choose to make a protected disclosure under the Vigil Mechanism Policy ("the Policy") of the Company, providing for reporting to the Chairman of the Audit Committee or any other specific authority. Such a protected disclosure shall be forwarded, when there is reasonable evidence to conclude that a violation is possible or has taken place, with a covering letter, which shall bear the identity of the whistleblower.

The Company shall ensure protection to the whistleblower and any attempts to intimidate him/her would be treated as a violation of the Policy.

Section 177 (9) of the Companies Act, 2013 mandates the following classes of Companies to constitute a vigil mechanism -

- Every listed Company;
- Every other Company which accepts deposits from the public;
- Every Company which has borrowed money from bank and public financial institutions in excess of Rs. 50 Crores.

Further, Regulation 4(2)(d)(iv) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), inter alia, provides for the listed entity to devise an effective Whistleblower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

Accordingly, the Policy has been formulated with a view to provide a mechanism for directors, employees as well as other stakeholders of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Company.

This Policy neither releases Directors and Employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

The Audit Committee shall review the functioning of the Whistleblower mechanism, atleast once in a financial year.

The Vigil Mechanism & Whistleblower Policy shall be displayed on the Company's website.

2. Definitions

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

- a. "**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.
- b. "**Employees**" means every employees of the Company (whether working in India or aboard), including the directors in the employment of the Company.
- c. "**Investigators**" mean those persons authorized, appointed, consulted or approached by the Chairman of Audit Committee / Compliance Officer and include the auditors of the Company and the police.
- d. "**Protected Disclosure**" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- e. "**Subject**" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of investigation.
- f. "**Whistleblower**" means an Employee or Director making a Protected Disclosure under this Policy.
- g. "**Company**" means PRIVI ORGANICS INDIA LIMITED, (which express shall also include its Subsidiaries).

3. Scope

The Policy has been drawn up so that the Directors, Employees and Stakeholders can be confident about raising a concern. 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.

Protected disclosures will be appropriately dealt with by the Chairman of the Audit Committee / Compliance Officer, as the case may be.

4. Guiding Principles

To ensure that the Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- a) Ensure that the Whistleblower and / or the person processing the Protected Disclosure is not victimized for doing so.
- b) Treat victimization as a serious matter including initiating disciplinary action on such person(s).
- c) Ensure complete confidentiality.
- d) Not attempt to conceal evidence of the Protected Disclosure.
- e) Take disciplinary action if anyone destroys or conceals evidence of the Protected Disclosure made/to be made.

- f) Provide an opportunity of being heard to the persons involved especially to the Subject.

5. Coverage Of Policy

The Policy covers malpractices and events that have taken place / suspected to take place involving:

- a) Abuse of Authority
- b) Breach of Contract
- c) Negligence causing substantial and specific danger to public health and safety
- d) Manipulation of Company data / records
- e) 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.
- f) Any unlawful act, whether Criminal / Civil
- g) Pilferage of confidential / propriety information
- h) Deliberate violation of law / regulation
- i) Wastage / misappropriation of Company funds / assets
- j) Breach of Company Policy or failure to implement or comply with any approved Company Policy
- k) Any other unethical, biased, favoured, imprudent event

Policy should not be used for raising malicious or unfounded allegations against colleagues.

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 malafide intention.
- c) Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be malafide, 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.
- d) Whistleblowers must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified.

Disclosures expressed anonymously will ordinarily NOT be investigated.

7. Procedure

- a) All Protected Disclosures should be addressed to Chairman of the Audit Committee of the Company for investigation.

- b) The details of the Chairman of the Audit Committee and of the Compliance Officer of the Company are as under;

Chairman of Audit Committee

Mr. P.R. Barpande,

Address: A-804, Royal Court, Swami Nityanand Marg, Andheri (East), Mumbai - 400069

Email ID: pbarpande@gmail.com

Compliance Officer

Mr. Ramesh Kathuria

Address: Privi House, A-71, TTC, Thane Belapur Road, Near Kopar Khairne Railway Station, Navi Mumbai - 400709

Email ID: rameshk@privi.co.in

- c) While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:
- i) Name, address and contact details of the Whistleblower (including Salary Code, if the Whistleblower is an employee).
 - ii) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important.
 - iii) In case of letters, the disclosure should be sealed in an envelope marked "Whistle Blower" and addressed to the Compliance Officer/ Audit Committee.
- d) If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Compliance Officer, the same should be forwarded to the Company's Chairman of Audit Committee or the Compliance Officer for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.
- e) Protected Disclosure 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 assesment of the nature and extent of the concern and the urgency of a preliminary investigative agency.

8. Investigation

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee / Compliance Officer of the Company who will investigate/ oversee the investigations under the authorisation of the Audit Committee / Committee comprising such other Officers of the Company as may be appointed by the Chaiman of Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/ herself and the other members of the Audit Committee should deal with the matter on hand.
- b) The Chairman of the Audit Committee / Compliance Officer may at its discretion, consider involving any Investigators for the purpose of investigation.

- c) The decision to conduct an investigation taken by the Chairman of the Audit Committee / Compliance Officer is by itself not an accusation and is to be treated as a neutral fact-finding process.
- d) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e) Subject 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) The investigation may involve study of documents and interviews with various individuals. Any person who is required to provide documents, access to systems and other information for the purpose of such investigation shall do so. Individuals with whom the Compliance Officer or Audit Committee requests an interview for the purpose of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
- g) If the Malpractice constitutes a criminal offence, the Chairman of Audit Committee / Compliance Officer may take appropriate action including reporting the matter to the Police.
- h) Subject shall have a duty to co-operate with the Chairman of Audit Committee / Compliance Officer or any other Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under applicable laws.
- i) Subjects have a right to consult with a person or persons of their choice, other than the Compliance Officer/ Investigators and/or members of Audit COmmittee and/ or Whistleblower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- j) Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- k) Unless there are compelling reasons not to do so, subject 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.
- l) The Audit Committee shall conduct such investigation in a timely manner and shall submit a written report containing the findings and recommendation to the Compliance Officer as soon as practically possible and in any case, not later than 90 days from the date of receipt of the Disclosure. The Compliance Officer may allow additional time for submission of the report based on the circumstances of the case.

9. Protection

No unfair treatment will be meted out to Whistleblower 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 Whistleblower. Complete protection will, therefore, be given to Whistleblowers against any unfair practice like retaliation, threat or intimidation of termination/ suspension of services.

If the Whistleblower faces any retaliatory action or threats of retaliatory action as a result of making a Disclosure, the same should be brought to the notice of the Compliance Officer in writing immediately. The Chairman of Audit Committee / Compliance Officer shall take cognizance of each and every such complaint / feedback received and investigates the same accordingly and may also recommend appropriate steps to protect the Whistleblower from exposure to such retaliatory action and ensure implementation of such steps.

The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Chairman of Audit Committee or the Compliance Officer (e.g. during investigations carried out by investigators).

Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

10. Investigators

Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from Compliance Officer/ Audit Committee when acting within the course and scope of their investigation.

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.

11. Decision

If an investigation leads the Chairman of Audit Committee / Compliance Officer to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee / Compliance Officer shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee / Compliance Officer deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the finding of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

12. Reporting

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

13. 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.

14. 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, However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to the Employees and Directors in writing.