

VIGIL MECHANISM

Bhavya Cements Limited is required to establish a vigil mechanism for directors and employees to report genuine concerns under section 177 of Companies Act, 2013. The vigil mechanism shall provide for adequate standards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the audit committee in appropriate or exceptional cases. Further, details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the board's report.

VIGIL MECHANISM POLICY

1. Vigil Mechanism / Whistle Blower Policy

It is a mechanism that provides a platform for complaint handling including providing information back to the person reporting the complaint. Employees of an organization and those of the third parties may have critical information about fraud, misconduct, violation of policies, etc. Whistle blowing facilitates them to convey the same to the appropriate level of authority in the organization.

2. Objective

Section 177 of the Companies Act, 2013 require that a Company shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances. It also stipulates that vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and provide for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

BHAVYA CEMENTS LIMITED (The Company) has implemented a Vigil Mechanism across the organization in compliance with the requirements of section 177(9) & (10) of the Companies Act, 2013.

The Company follows highest standards of business ethics and management practices in the conduct of its business. The Company believes that every employee is a trustee of its stakeholders and he must always adhere to etiquettes and abide himself in a professional and ethical manner. Along with compliances of regulatory provisions it enables the Company to follow highest standards of business ethics and management practices in the conduct of its business. The spirit of the Policy is to foster a sense of collective responsibility in safeguarding the business interests. The Vigil Mechanism encourages Directors and employees (hereinafter referred to as 'employees') to bring to the Company's attention the instances of unethical behaviour, actual or suspected incidents of fraud or violation of the Code, that could adversely impact the Company's operations, performance and reputation without fear of punishment or unfair treatment for such disclosure.

3. Eligibility

All Employees or Directors of the Company are eligible to make "Protected Disclosures".

4. Procedure

All Protected Disclosures should be reported in writing by the employees as soon as possible, in any case within 30 days of the suspected violation, so that timely action can be taken. A dedicated email

id will be created for this purpose and communicated to the employees. The complaint should either be typed or written in a legible handwriting in English containing particulars regarding nature, period of commission and details of the alleged violation and identities of the persons who are alleged to have committed violation. In pursuance of the above requirement, the Company has placed letter boxes in the Registered office for employees and directors to report their genuine concerns or grievances regarding the working of the Company. Such a mechanism will help effectively in monitoring the internal control system and report any non-observation of the same, which may adversely affect the image and business of the Company. These letter boxes would be cleared periodically and documents so received would be forwarded to the Chairman of the Audit Committee. Mr. N Sudhakar, Chairman of the Audit Committee, will oversee the handling of all such genuine concerns. The ultimate responsibility of overseeing the implementation of the vigil mechanism is that of the Audit Committee.

The contact details are as under:

3-1-5/10, Plot No. 50, Sri Laxmi Nagar Colony,
Attapur, Rajendranagar,
Ranga Reddy,
Hyderabad-500030
Mob No. 9908266990

5. Investigation

All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation. The investigation shall be completed normally within 60 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter. All employees have a duty to cooperate in an investigation.

6. Secrecy

The Company will do its best to protect an individual's identity when he raises a concern and his name will not be disclosed. In that case it may be appreciated that a statement from the Complainant will be used as part of the evidence in the investigation process.

7. Protection of Whistle-blowers

- The Company endeavours to provide a framework to promote secured and result oriented whistle blowing. It will provide complete protection to employees against any form of victimization.
- Anyone who reports a complaint under this Policy will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance.
- He/she will not be at the risk of losing his / her job or suffer loss in any other manner like 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.
- The protection is available provided all the conditions set out below are met:
 - the communication is made in good faith.

- he/she reasonably believes that information and any allegations contained in it, are substantially true.
- he/she is not acting for personal gain.
- he/she is not involved in the complaint reported

8. Reporting

The Audit Committee along with its recommendations will report its findings to the Management and Management will have the power to take the necessary actions.

9. Frivolous Complaints

Making frivolous or bogus complaints through whistle-blowing channels is strictly prohibited and not acceptable by the Company. A person making complaints with malafide intentions which have been subsequently found to be frivolous, will be disqualified from making any further protected disclosures under this policy and subjected to strict and disciplinary actions. It may also lead to suspension or termination of services or employment contract.

10. Amendment

The policy is subject to revision at the discretion of the Board and can be modified at any time by the Audit committee of the Company with due sanction of Board.