

WHISTLE BLOWER POLICY

The objective of a Whistle Blower mechanism is to provide an avenue to address concerns, in line with the policy of Balaji Agro Oils Limited (hereinafter called as “BAOL”) to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, as well as timely redressal of concerns and disclosures to build and strengthen a culture of transparency and trust in the company.

Disclosure

The following serious concerns having adverse impact on business and organizational values can be brought to the notice of ombudsperson:

- Integrity violation
- Financial irregularities
- Unethical acts/ issues
- Serious Process malfunctioning
- Harassment or victimization of individual or a group

Escalation Procedure Level – 1:

Ombudsperson

The ombudsperson is a confidential resource for all employees of the company. His role is that of a neutral that advocates not for a specific individual, but for equity, fair processes, and compliance with the company’s policy and procedure. He would be authorised by the Management of the company for the purpose of receiving all complaints under this policy and ensuring appropriate action. The name of such ombudsperson shall be notified separately. The authority of the ombudsperson shall be as under:

In exercising his/ her duties, the ombudsperson will be independent of any official, department, office, bureau, or other organizational entity.

The ombudsperson shall have the right, on any matter pertaining to the exercise of his or her duties, to direct access to any staff member or contractual employee and to the senior Management. All staff members, contractual employees, and vendor personnel are expected to cooperate with the ombudsperson and to make available all information pertinent to matters he or she is reviewing.

The ombudsperson shall have access to all records relevant to the exercise of his or her duties. In the event of a dispute regarding access to records, the matter will be referred to **Mr. DONEPUDI MALLIKARJUNA RAO, CFO**.

Any employee, in the first place can write to the ombudsperson at **info@baol.in** about any of the unethical/ inappropriate practices, if any, happening in the Organization. In case an employee is not willing to write, he/ she can also meet the ombudsperson and explain the case. The ombudsperson will forward the complaint to the Chairman of the Audit Committee for resolution of the complaints.

Employees at any given time are advised and expected to avoid making general, broad and sweeping statements or issues based on speculation. Disclosures if found to be frivolous, baseless, malicious or reported otherwise than in good faith will be subjected to appropriate disciplinary action.

Level – 2 – Audit Committee:

Audit committee is there to assist employees of the company and resolve issues pertaining to unethical practices by assuming one or more roles as active listener, facilitator, or mediator.

All the mails and complaints to ombudsperson shall be tracked by this Audit committee. In case of verbal complaints, it shall be the responsibility of the ombudsperson to report the „disclosure“ to the Audit committee. Standards of practice of the Audit committee shall include:

Conduct the enquiry in a fair, and unbiased manner

- Ensure complete fact-finding.
- Maintain strict Confidentiality.
- Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
- Recommend an appropriate course of action-suggested disciplinary action, including dismissal (if required), and preventive measures.
- Minute committee deliberations and document the final report.

Confidentiality

- The ombudsperson/ Audit committee will keep all dealings with persons who seek their services strictly confidential, except to the extent that the person seeking assistance consents to disclosure for the purpose of the performance of the duties specified. However, the ombudsperson/ Audit committee may, at their sole discretion, break confidentiality if the physical safety of any person is threatened.

- All information and records compiled by the ombudsperson/ audit committee shall be for the use of the ombudsperson/ audit committee and for no other purpose than the functions of the office of the ombudsperson/ audit committee. Any reports of the ombudsperson/ audit committee shall be prepared in a manner that will preserve the right to confidentiality of the persons who have brought matters to the attention of, or provided information to, the ombudsperson/ audit committee. Details of specific cases may be disclosed only with the concurrence of such persons.

Protection

No unfair treatment will be meted out to an employee by virtue of his/ her having reported a disclosure under this policy. As a policy, the company condemns any kind of discrimination, harassment, victimization or any other unfair employment practice against the employee. Complete protection will be given to the Whistle Blower against any unfair employment practice like retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal to promotion or the like including any direct or indirect use of authority to obstruct his right to continue or perform duties. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

The Company reserves its right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever with prior approval of the Board of Directors of the Company.

RISK MANAGEMENT POLICY

The Board of the Company adopted a policy to frame, implement and monitor the risk management policy/plan for the Company and ensuring its effectiveness. The Board oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Risk Management Policy has been approved by the Board of Directors and the company is taking steps to mitigate and minimize various Business risks which have impact on the operations of the company.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT OF WOMAN ATWORK PLACE

In order to prevent sexual harassment of woman at work place as per provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company adopted a policy for prevention of Sexual Harassment of Woman at workplace and has set up Committee for implementation of said policy. During the year under review, there were no cases filed against anybody for sexual harassment.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. During the financial year 2018-19, the Company has not received any complaints on sexual harassment.

COMMITTEES OF THE BOARD OF DIRECTORS

CSR COMMITTEE

- The Company's Corporate Social Responsibility (CSR) aims to extend beyond charity and enhance social impact and framed a CSR Policy which was adopted by the Board as well. The Company's CSR policy covers the activities as under:
 - Uphold and promote the principles of inclusive growth and equitable development.
 - Develop Community Development Plans based on needs and priorities of host communities and measure the effectiveness of community development programmes.
 - Work actively in areas of preventive health and sanitation, education, skills for employability, livelihoods, income generation, waste resource management and water conservation for host communities for enhancing Human Development Index.
 - Collaborate with likeminded bodies like governments, voluntary organizations and academic institutes in pursuit of our goals.
 - Any other activity, in compliance of the above, as may be taken up by the Committee from time to time.

- The Composition of the CSR Committee: The CSR Committee has been constituted by the Board of Directors and the following are the members of the Committee as of date:
 1. Sri. Ramesh Babu Gottipati Chairman
 2. Sri. Surajkumar Vallabhaneni Member
 3. Sri. Bapuji Gottipati Member

AUDIT COMMITTEE

The Audit Committee of the Company provides reassurance to the Board on the existence of an effective internal control environment in the company. It also is empowered to investigate on the terms of reference by the Board and oversee the Company's financial reporting and compliances with statutes are a few to list. The constitution of the committee is also in compliance with the SEBI (LODR) Regulations, 2015.

Composition

The Audit Committee consists of the following members:

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| 1. Sri. Bapuji Gottipati | Chairman |
| 2. Sri. Ramesh Babu Gottipati | Member |
| 3. Sri. Koteswara Rao Kodali | Member |
| 4. Sri. Nagendra Babu Koduru | Member |
| 5. Representative of Auditors | Permanent Invitee |

Terms of Reference

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on any changes in accounting policies and practices.
- d) Major accounting entries based on exercise of judgment by management.
- e) Significant adjustments arising out of audit.
- f) The going concern assumption.
- g) Compliance with accounting standards.
- h) To hold periodic discussions with the Statutory Auditors of the Company concerning the accounts of the Company, internal control systems and observations of the Auditors.
- i) To review the un-audited financial statements before submission to the Board.
- j) To have full access to information contained in the records of the Company.
- k) The recommendations of the Audit committee on any matter relating to financial management including the audit report shall be binding on the Board.
- l) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit report.
- m) Reviewing with the management, external and the adequacy of internal control systems.
- n) Discussion with external auditors before the audit commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- o) Reviewing the Company's financial and risk management policies.
- p) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee oversees redresses of shareholder and investor grievances, and approves sub – division / transmission of shares, issue of duplicate share certificate, etc.

Composition

The Stakeholders Relationship Committee consists of the following members:

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| 1. Sri. Bapuji Gottipati | Chairman |
| 2. Sri. Ramesh Babu Gottipati | Member |
| 3. Sri. Koteswara Rao Kodali | Member |
| 4. Sri. Nagendra Babu Koduru | Member |

Terms of Reference

To ensure proper and timely attendance and redressal of grievances of security holders of the Company in relation to:

- i. Transfer of shares,
- ii. Non-receipt of annual reports,
- iii. Non-receipt of declared dividend,
- iv. All such complaints directly concerning the shareholders / investors as stakeholders of the Company; and
- v. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.
- vi. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- vii. To review and / or approve applications for transfer, transmission, transposition and mutation of share certificates including issue of duplicate certificates and new certificates on split / sub-division / consolidation / renewal, and to deal with all related matters.
- viii. To review and approve requests of dematerialization and rematerialisation of securities of the Company and such other related matters;
- ix. Appointment and fixing of remuneration of RTA and Depositories and overseeing their performance;
- x. Review the status of the litigation(s) filed by/against the security holders of the Company;
- xi. Review the status of claims received for unclaimed shares;
- xii. Allotment of rights / bonus shares / shares against Employee Stock Options;
- xiii. Recommending measures for overall improvement in the quality of investor services;

- xiv. Monitoring implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992;
- xv. Review the impact of enactments/ amendments issued by the MCA/ SEBI and other regulatory authorities on matters concerning the investors in general;
- xvi. Such other matters as per the directions of the Board of Directors of the Company and/ or as required under SEBI LODR Regulations relating to Corporate Governance, as amended, from time to time.
- xvii. Any other issue within terms of reference.

NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee oversees review the remuneration to the executive payable to the directors, key managerial personnel and other employees.

Composition

The Remuneration Committee consists of the following members:

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| 1. Sri. Bapuji Gottipati | Chairman |
| 2. Sri. Ramesh Babu Gottipati | Member |
| 3. Sri. Koteswara Rao Kodali | Member |
| 4. Sri. Nagendra Babu Koduru | Member |

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and ensure that:-

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the company and its goals. Provided that such policy shall be disclosed in the Board's report.
- iv. Formulation of criteria for evaluation of Independent Directors and the Board;
- v. Devising a policy on Board diversity.
