

## SRI CHAMUNDESWARI SUGARS LIMITED

### 1. PREFACE

- 1.1 The Companies Act 2013 and Clause 49 of the Listing Agreement provide for establishment of a vigil mechanism for the directors and employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.
- 1.2 Accordingly, a Whistle Blower Policy ("the Policy") has been formulated by Sri Chamundeswari Sugars Limited ("SCSL" or "the Company") with a view to assist employees who believe that they have discovered or come across any malpractice or impropriety, to provide mechanism for such employees of the Company to approach the Chairman of Audit Committee of the Company and to give reasonable protection to the Whistle Blower from any unfair treatment.
- 1.3 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects the Whistle Blower wishing to raise a concern about serious irregularities within the Company.
- 1.4 The Policy neither releases Whistle Blowers from their duty of confidentiality in the course of their work nor is to be misused to surface a grievance about a personal work-related situation.
- 1.5 The Policy will be placed on the website of the Company [www.srichamundeswarisugars.in](http://www.srichamundeswarisugars.in)

### 2 APPLICABILITY

- 2.1 The Policy is applicable to all Directors and Employees of the Company and of its subsidiary, if any, and other persons dealing with the Company.
- 2.2 This Policy has been drawn up so that Whistle Blowers can make Protected Disclosure under the Policy. The Protected Disclosure may be areas of concern covered by this Policy and summarized in paragraph 6 hereunder.

### 3 DEFINITIONS

- 3.1 The definitions of some of the key terms used in this Policy are given below.
- 3.2 **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with the Companies Act and Clause 49 of the Listing Agreement with the Stock Exchanges.
- 3.3 **"Board" / "Board of Directors"** means board of directors of the Company.
- 3.4 **"Code of Conduct"** means code applicable to the directors and senior management personnel adopted by the Board on 25<sup>th</sup> September 2014.

- 3.5 **"Company / SCSL"** means Sri Chamundeswari Sugars Limited.
- 3.6 **"Disciplinary Action"** means any action that can be taken on the completion of / during the investigation proceedings, including not limited to, a warning, recovery of financial losses incurred by the Company, suspension / dismissal from the services of the Company, criminal action or any such action as is deemed to be fit considering the gravity of the matter.
- 3.7 **"Employee"** means every employee of the Company and its subsidiaries, if any.
- 3.8 **"Investigators"** mean those persons authorised, appointed, consulted or approached by the Chairman of Audit Committee and includes the auditors of the Company and the police.
- 3.9 **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity with respect to the Company. Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion, and should contain as much specific information as possible for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- 3.10. **"Subject"** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 3.11. **"Whistle Blower"** means an Employee making a Protected Disclosure under this Policy.

#### 4 SCOPE

- 4.1 The Whistle Blower'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.
- 4.2 Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of Audit Committee or the Investigators.
- 4.3. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee or the Investigator, as the case may be.

#### 5 DISQUALIFICATIONS

- 5.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as set out here, any abuse of this protection will warrant disciplinary action.

- 5.2 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.
- 5.3 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.

## 6 COVERAGE OF THE POLICY

- 6.1 The Policy covers malpractices and events which have taken place / suspected to take place involving:
- a. Abuse of Authority
  - b. Breach of Code of Conduct or Employment Contract/Rules
  - c. Manipulation of Company data / records
  - d. Financial or compliance irregularities, including fraud or suspected fraud
  - e. Criminal Offence having repercussion on the Company or its reputation
  - f. Pilferage of confidential / proprietary information
  - g. Deliberate violation of law / regulation
  - h. Wastage/Misappropriation or misuse of Company funds / Assets
  - i. Willful disinterest/un-attentiveness in the production process and causing production loss or production of inferior quality products.
  - j. Negligence causing danger to employees and public health and safety
  - k. Any other unethical, imprudent deed / behaviour.
- 6.2 Policy should not be used as a route for raising malicious or unfounded allegations against colleagues.

## 7 PROTECTION

- 7.1 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 practice like retaliation, threat or intimidation, 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.

- 7.2 A Whistle Blower may report any violation of the above Clause to the Chairman of Audit Committee, who shall investigate into the matter and recommend suitable action to the management.
- 7.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- 7.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 7.5 Protection to Whistle Blower under this Policy shall be available provided that Protected Disclosure is:
- 7.5.1 made in good faith
  - 7.5.2 that the Whistle Blower has reasonable information or documents in support of the matter; and
  - 7.5.3 not for personal gain or animosity against the Subject.

### **8 PROCEDURE FOR MAKING PROTECTED DISCLOSURES**

- 8.1. All Protected Disclosures concerning financial / accounting matters should be addressed to the Chairman of Audit Committee of the Company for investigation.
- 8.2 In respect of all other Protected Disclosures, those concerning the employees at the levels of General Manager and above should be addressed to the Chairman of Audit Committee of the Company and those concerning other employees should be addressed to President.
- 8.3. The contact details of the Chairman of the Audit Committee are as under:

Shri A. Arjunaraj  
Chareterd Accountant  
1A C K Colony  
New Siddhapudhur  
Coimbatore – 641 044

Phone No. :  
E-mail ID. :

The contact details of the President are as under:

Shri K R Nachiappan  
President  
Sri Chamundeswari Sugars Limited  
88/5 Richmond Road  
Bangalore – 560 025

Phone No. :  
E-mail ID. :

- 8.4 Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- 8.5. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible

handwriting in English, Kannada or in the regional language of the place of employment of the Whistle Blower. Alternatively, Protected Disclosures can also be reported orally to Tel No. 080 :

In an oral reporting, if it is found that there is prima facie evidence of a fraud or misdeed covered under this Policy, oral reporting is to be documented in writing before any investigation is made.

- 8.6 The Protected Disclosure should be forwarded by e-mail or under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee or President as the case may be, shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- 8.7 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.
- 8.8 For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

### **9 INVESTIGATION**

- 9.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of Audit Committee or the President of the Company, who will investigate / oversee the investigations, under the authorization of the Audit Committee.
- 9.2 The Chairman of Audit Committee / President may at his discretion, consider involving any Investigators for the purpose of investigation.
- 9.3 The decision to conduct an investigation taken by the Chairman of Audit Committee/ President 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 allegation of the Whistle Blower that an improper or unethical act was committed.
- 9.4 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.
- 9.5 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.
- 9.6 Subjects shall have a duty to co-operate with the Chairman of Audit Committee/ President 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.
- 9.7 Subjects have a right to consult with a person or persons of their choice, other than the President / Investigators, members of the Audit Committee and 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, if found justifiable reimburse such costs.

- 9.8 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.
- 9.9 Unless there are compelling reasons not to do so, Subjects will be given an opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- 9.10 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.
- 9.11 The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

### **10 INVESTIGATORS**

- 10.1. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from Chairman of Audit Committee/ President or such other person appointed by the Audit Committee when acting within the course and scope of their investigation.
- 10.2 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.
- 10.3 Investigations will be launched only after a preliminary review by the Chairman of Audit Committee or the President, as the case may be, which establishes that:
  - 10.3.1 the alleged act constitutes an improper or unethical activity or conduct and
  - 10.3.2 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 matter concerned is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

### **11 DECISION**

- 11.1 If an investigation leads the Chairman of Audit Committee/ President to conclude that an improper or unethical act has been committed, the Chairman of Audit Committee/ President shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of Audit Committee/ President may

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.

### **12 SECRECY / CONFIDENTIALITY**

- 12.1 The Whistle Blower, the Subject, the Officer(s) and every one involved in the process shall:
- 12.1.1 maintain complete secrecy / confidentiality of the matter under this Policy
  - 12.1.2 not discuss the matters under this Policy in any informal / social gatherings / meetings
  - 12.1.3 discuss only to the extent or with the persons required for the purpose of completing the process and investigations as directed by Audit Committee
  - 12.1.4 not keep the papers unattended anywhere at any time
  - 12.1.5 keep the electronic mails / files under the pass word

If any one is found not complying with the above, he / she shall be liable for such Disciplinary Action as is considered by the Audit Committee or the Managing Director, as the case may be.

### **13. REPORTING**

- 13.1 The President shall submit a report to the Chairman of Audit Committee on a regular basis about all Protected Disclosures referred to him together with the results of investigations, if any.
- 13.2 A quarterly Report with the number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

### **14 RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of related investigation shall be retained by the Company for a minimum period of seven years.

### **15 AMENDMENT**

The Board of Directors of the Company has a right to amend or modify this Policy in whole or in part, as it deems fit. However, no such amendment or modification will be binding on the Employees unless it is notified to the Employees in writing.