

VIGIL MECHANISM / WHISTLE BLOWER POLICY

सचिव बैद गुर तीनि जौं प्रिय बोलहिं भय आस ।
राज धर्म तन तीनि कर होइ बेगिहीं नास ॥ ३७ ॥

The above doha is form Ramcharitmanas - Sundarkand by Tulsidas which signifies the importance of raising the voice if there is any dangers prevailing on the existence of any corporate entity whenever there persists any threat on its survival.

1. PREFACE:

Prior to the commencement of Companies Act, 2013, the concept of whistle blower policy or in other words vigil mechanism was provided as a non-mandatory requirements under Clause 49 of the listing agreement leaving it as a choice with company to comply with it as a practice of good governance. Many companies have created and adopted whistle blower policies.

Of late, in Companies Act, 2013 section 177(9) read with Rule 7(1) of Chapter XII – Companies (Meeting of Board & its Powers) Rules, 2014 made the establishment and formation of vigil mechanism for directors & employees to report genuine concerns in a prescribed manner.

2. APPLICABILITY:

The following are the companies which are mandatorily required to have vigil mechanism / whistle blower policy.

- (1) Every listed company*
- (2) the Companies which accept deposits from the public;*
- (3) the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees*

3. OBJECTIVE:

The prime objective of this policy is to provide employees & directors an avenue to raise concerns to maintain the highest possible standards of ethical, moral and legal business conduct and its commitment to open, fearless, genuine concern's communication. The pre-eminent intention of this policy is to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith.

4. SCOPE OF POLICY:

Different stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These stakeholders are technically broken into any of the following major categories:

- 1. Company's whole time employees*
- 2. Directors of the company*

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

5. THE POLICY:

Every employee of the Company is expected to report immediately to the management any genuine concern which may endanger the interest of the company actual or possible violation of the Code of ethics for Employees or any other unlawful or unethical or improper practice or act or activity concerning the Company he/she is employed in the Company.

The unlawful or unethical or improper practice or act or activity (alleged wrongful conduct) may include, but is not confined / restricted to, any of the following:

- 1. Breach of law.*
- 2. Abuse of power vested to the authority*
- 3. Misuse / wrongful application / misappropriation of company's funds, assets other resources.*
- 4. Substantial and specific danger to the existence of the company.*
- 5. Incorrect financial reporting.*
- 6. In stark contrast of the company's policy.*
- 7. Harmful to the corporate image.*
- 8. Serious improper conduct.*
- 9. criminal activities*
- 10. breaches of copyright, patents and licenses*
- 11. Pilferation of confidential/propriety information*

6. IMPORTANT TERMS DEFINED:

- 1. DSIL means Dwarikesh Sugar Industries Ltd.*
- 2. "Apportioned Confidential department" means any Department of the Company which is decided by the Competent Authority from time to time for maintaining the records as per the Whistle Blower Policy.*

3. *Audit Committee” means the Audit Committee of the Board constituted by the Board of Directors of DSIL in accordance with provisions of Section 177 of Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of Listing Agreement entered into by the Company with Stock Exchanges.*
4. *“Competent Authority” means the Chairman-cum-Managing Director of DSIL and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (CMD being the subject person), Competent Authority means Chairman- Audit Committee.*
5. *“Disciplinary Action” means any action that can be taken on completion of / during the investigation proceedings by the Competent Authority as he deems fit considering the gravity of the matter.*
6. *“Employees” means permanent employee as defined in the DSIL – Conduct, Discipline and Appeal Rules.*
7. *“Investigators” means those persons authorised, appointed, consulted or approached by the Competent Authority in connection with conducting investigation into a protected disclosure.*
8. *“Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.*
9. *“Service Rules” means the DSIL – Conduct, Discipline and Appeal Rules.*
10. *“Subject” means a person against or in relation to whom a protected disclosure is made or evidence gathered during the course of an investigation.*
11. *“Unappropriate Activity” means unethical behaviour, actual or suspected fraud, embezzlement etc., violation of the Company’s general guidelines on conduct, moral turpitude, unlawful conduct etc. by an employee of DSIL.*
12. *“Whistle Blower” means an Employee making a Protected Disclosure under this policy.*

7. INETRPRETATION OF VARIOUS TERMS USED IN THE POLICY:

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Rules notified thereunder, Listing agreement, and/or SEBI Act and/or any other SEBI Regulation(s) as amended from time to time.

8. GOVERNING NORMS:

1. *Protected disclosures shall be acted upon in a time bound manner.*
2. *Complete confidentiality of the Whistle Blower will be maintained.*
3. *The Whistle Blower and/or person(s) processing the protected Disclosure will not be subjected to victimisation.*
4. *Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.*
5. *“Subject” of the Protected Disclosure i.e. Employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.*
6. *The Whistle Blower should bring to attention of the Competent Authority at the earliest any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.*
7. *The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.*

9. ROLE OF WHISTLE BLOWER:

1. *The whistle Blower’s role is that a reporting party with reliable information.*
2. *The Whistle Blower is not required or expected to conduct any investigations on his own.*
3. *The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he/she shall not have a right to participate.*
4. *Protected Disclosure will be appropriately dealt with by the Competent Authority.*
5. *The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.*

10. PROTECTION PROVIDED TO WHISTLE BLOWER:

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 Blower.*

2. *Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour 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.*
3. *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.*
4. *The identity of the Whistle Blower shall be kept confidential.*
5. *Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.*

11. PROCESS – GIST AND HANDLING PROCESS DISCLOSURE:

1. *The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the Whistle blower/complaint i.e. his/her Name, Employee Code and Location and should be inserted in an envelope which should be closed/secured/sealed. The envelope thus secured/sealed should be addressed to the Competent Authority and should be super scribed "Protected Disclosure". (If the envelope is not super scribed and closed/sealed/secured, it will not be possible to provide protection to the whistle blower as specified under this policy).*
2. *If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee, DSIL.*
3. *Anonymous or pseudonymous Protected Disclosure shall not be entertained.*
4. *Protected Disclosure should either be typed or written in legible hand writing in English, Hindi or Regional language of the place of employment of the Whistle blower, should provide a clear understanding of the improper activity involved or issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.*
5. *Investigations into any improper activity which is subject matter of an inquiry or order under the Commission of Inquiry Act, 1952 will not come under the purview of this policy.*

The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:

*Chairman Audit Committee,
Dwarikesh Sugar Industries Ltd.
511, Maker Chambers V,
221, Nariman Point,
Mumbai – 400021*

In addition to above, the exact address shall be displayed prominently on the notice Board of all locations.

- 6. The Competent Authority shall mark the envelope containing the Protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof.*
- 7. The Competent Authority shall weed out frivolous complaints after a preliminary enquiry by the Confidential Section. The Competent Authority based on the recommendations of the Confidential Section and depending upon the merit of the case shall forward the Complaint to the investigator(s) nominated for this purpose without disclosing the identity of the Whistle Blower.*

12 INVESTIGATION:

- 1. Investigation shall be launched if the Competent Authority is satisfied after preliminary review that:

The alleged act constitutes an improper or unethical activity or conduct; and

The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter deserves investigation.*
- 2. The decision taken by the Competent Authority to conduct an investigation is by itself not to be construed as an accusation and is to be treated as a neutral fact finding process.*
- 3. The identity of the subject(s) and the Whistle Blower will be kept confidential.*
- 4. Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.*
- 5. Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.*

6. *Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, threatened or intimidated by the subject(s).*
7. *Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.*
8. *The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.*
9. *Subject(s) have a right to be informed of the outcome of the investigation.*

13 INVESTIGATOR'S ROLE:

1. *Investigators(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall derive their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his/their report to the Competent Authority.*
2. *All Investigators shall perform their role in an independent and unbiased manner, Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviours and observance of professional standards.*

14 ACTION:

1. *If the competent authority is of the opinion that the investigation discloses the existence of improper activity, the competent authority may direct the concerned authority to take disciplinary action under applicable statutory provisions including referring the matter to Chief Vigilance Officer, KIOCL for appropriate action.*
2. *The competent authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.*
3. *If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the confidential section.*

15. REPORTING:

The competent Authority shall submit a quarterly report of the protected disclosures, received and of the investigation conducted and of the action taken to the Audit Committee for review.

16. NOTIFICATION:

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. The Whistle Blower policy shall be prominently displayed on all Notice Boards of the Company, circulated to recognised unions, management staff association. This policy, including amendments thereof shall also be made available on Company's website.

17. YEARLY CONFIRMATION:

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

18. SECRECY/ CONFIDENTIALITY:

The Whistle Blower, the subjects, the Investigator and everyone involved in the process shall:-

- a) Maintain complete confidentiality/secretcy of the matter.*
- b) Not discuss the matter in any informal/social gatherings/meetings;*
- c) Discuss only to the extent or with the persons required for the purpose of completing the process and investigations;*
- d) Not keep the papers unattended anywhere at any time;*
- e) Keep the electronic mails/files under password;*

If anyone is found not complying with the above, he/she shall be held liable for such disciplinary action as is considered fit.

19. AMENDMENT:

This Policy can be modified at any time by Shri B J Maheshwari, Whole Time Director & CS Cum CCO. Such modifications shall also be reported to the Board.