



SHREE RENUKA SUGARS LIMITED

Vigil Mechanism / Whistle Blower Policy

VIGIL MECHANISM / WHISTLE BLOWER POLICY

1. PREFACE

The Company believes in the conduct of affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company is committed to develop a culture where it is safe for all Directors, employees and stakeholders to raise concerns about any poor or unacceptable practice and any event of misconduct.

Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers), 2014 and Regulation 4(2)(d)(iv) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), inter-alia, provides a mandatory requirement, for all listed companies to establish a mechanism called “Vigil Mechanism (Whistle Blower Policy)” for Directors, employees and stakeholders to report concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct or ethics policy.

The Securities & Exchange Board of India (SEBI) has amended SEBI (Prohibition of Insider Trading) Regulations, 2015 (Amended Regulations) vide its Notification dated 31st December, 2018 and made it effective from April 1, 2019. The Amended Regulations provided institutional mechanism for prevention of insider trading which require every listed company to formulate a written policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information which shall be approved by the board of directors of the company and initiate appropriate inquiries on becoming aware of leak of such unpublished price sensitive information and inform the SEBI promptly of such leaks, inquiries and results of such inquiries. Furthermore, the Amended Regulations also require formulation of a whistle blower policy to enable employees to report instances of leak of Unpublished Price Sensitive Information.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing mechanism. It protects Directors, employees and stakeholders wishing to raise a concern about serious irregularities within the Company.

The policy neither releases the Directors and employees of the Company 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.

2. SCOPE OF THE POLICY

- a. This policy is an extension of Code of Business Conduct and Ethics for Board of Directors and Senior Management. The policy covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving, but not limited to:

- Abuse of authority;
 - Breach of contract;
 - Negligence causing substantial and specific danger to public health and safety;
 - Manipulation of company data/records;
 - 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;
 - Any unlawful act whether Criminal/ Civil;
 - Pilferage of confidential/propriety information;
 - Deliberate violation of law/regulation;
 - Wastage/misappropriation of company funds/assets;
 - Communication/Procurement of Unpublished Price Sensitive Information (UPSI) and/or trading on the basis of UPSI or violation of Code of the Company of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Insiders (Insider Trading Code)
 - Breach or failure to comply with any of the Policies/Codes of the Company;
 - Any other unethical, biased, favoured or imprudent event.
- b. 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.
- c. 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 the Audit Committee or the Investigators.
- d. Protected Disclosures shall be appropriately dealt by the Ombudsperson or the Chairman of the Audit Committee, if required.

3. OBJECTIVE OF THE POLICY

- a. To provide a framework to report genuine concerns or grievances and promote responsible whistle blowing concerning any unethical and improper or malpractices or events covered in this Policy.
- b. To lay down a standard policy governing the procedure to be followed for reporting and dealing with violation.

4. DEFINITIONS

- 4.1 "Employee"** for the limited purpose of this Policy means every employee of the Company (irrespective of the location), including executive and non-executive Directors.

4.2 “Protected Disclosure” means a concern/ violation raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

4.3 “Whistle Blower” is someone who makes a Protected Disclosure under this policy. The Whistle blower’s role is that of a reporting party with reliable information.

4.4 “Good faith”: An employee shall be deemed to be communicating in ‘good faith’ if there is reasonable basis for raised concern and he / she is not abusing the policy as a route for raising malicious or unfounded allegations against colleagues.

4.5 “Subject” means a person against/ in relation to whom a Protected Disclosure is made or evidence has been gathered during the course of an investigation.

4.6 “Board” means the Board of Directors of the Company.

4.7 “Ombudsperson” will be a Head (Human Resources) or Company Secretary, who shall be the first recipient of all complaints under this policy and shall be responsible for ensuring appropriate action. The Board shall appoint the Ombudspersons and may change him/her from time to time.

4.1 “Stakeholder” means shareholders, debenture holders and other security holders of the Company.

[‘Other securities’ include shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature, of the Company]

4.2 “Audit Committee” of the Company is a committee of the Board of Directors of the Company (constituted in accordance with the Companies Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015).

4.3 “Disciplinary Action” means any action that can be taken on the completion of / during the investigation proceedings- including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

4.4 “Unpublished Price Sensitive Information” means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (i) financial results;
- (ii) dividends;

- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel.

5. PROCEDURE

- a. The Whistle Blower shall make a Protected Disclosure to the Ombudsperson, in writing, within a reasonable time period (not exceeding 30 days) after becoming aware of the malpractice. The contact details are as under:

Head – Human Resources/

Company Secretary & Compliance Officer

Shree Renuka Sugars Limited 7th Floor, Devchand House,
Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400018.

- b. It is mandatory that the Protected Disclosure is forwarded under a covering letter bearing the Whistle Blower's name, employee code (if an employee of the Company), address and contact details, since investigation may not be possible unless the source of the information is identified / verified. Concerns expressed anonymously will ordinarily not be investigated.
- c. The Disclosure shall include a brief description of the malpractice, giving the names of those allegedly involved in the malpractice with specific details such as time, date, place of occurrence etc.
- d. In situation wherein the Ombudsperson(s) may be involved in the malpractice, the Disclosure may be submitted to the Chairman of the Audit Committee directly.

The contact details of the Chairman of the Audit Committee are as under:

Chairman of Audit Committee

Shree Renuka Sugars Limited
7th Floor, Devchand House,
Shiv Sagar Estate, Dr. Annie Besant Road,
Worli, Mumbai – 400018.

- e. On receipt of such Disclosure, the Ombudsperson shall acknowledge the same, in writing, within 7 working days.
- f. The Ombudsperson, shall then discuss the Disclosure with the Senior Management to determine the gravity of the issue (assuming the allegations to be true only for the purpose of this determination).
- g. Ombudsperson shall not disclose the name of the Whistle Blower neither to the Audit Committee nor the Senior Management, to the extent possible.

- h. If the initial discussions indicate that the concern has no basis, it may be dismissed at this stage – however, the decision shall be documented by the Ombudsperson. This finding shall be communicated to the Whistle Blower in writing.
- i. If the initial discussions indicate that further investigation is necessary, the Ombudsperson shall forward the Protected Disclosure (after detaching the covering letter) to the Audit Committee.
- j. Subjects will normally be informed, in writing, of the allegations at the outset of a formal investigation.
- k. The Ombudsperson and the Audit Committee shall jointly ensure that the investigation is conducted in a fair and unbiased manner – as a neutral fact finding without presumption of guilt.
- l. It shall be the Audit Committee’s responsibility to maintain a detailed documentation of the entire investigation and the recommendations thereof.
- m. During the investigations, the Audit Committee may call for further information or particulars from the Whistle Blower or Subject or any other person.
- n. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report.
- o. The investigation shall be completed generally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit and as applicable. Upon completion of the investigation, the Audit Committee shall take following action, but not limited to, against the Subject as specified below:
 - i. In case the Protected Disclosure is not proved the Audit Committee may extinguish the matter.
 - ii. In case the Protected Disclosure is proved, the Audit Committee may order Disciplinary Action against the Subject.
 - iii. If the Malpractice constitutes a criminal offence, the Audit Committee will bring it to the notice of the Board of Directors and may take appropriate action including reporting the matter to the police.
- p. Ombudsperson shall inform the Subject, in writing, of the outcome of the investigation process.
- q. Ombudsperson may inform the Whistle Blower, in writing, of the outcome of the investigation process, unless deemed inappropriate / or subject to any obligations of confidentiality.

- r. In exceptional cases, the Whistle Blower shall have right to access Chairman of the Audit Committee directly or where the Whistle Blower is not satisfied with the outcome of the investigation, he/ she may make a direct appeal to the Chairman of the Audit Committee.
- s. A Whistle Blower who makes false allegations of unethical & improper practices or about wrongful conduct of the Subject shall be subject to appropriate disciplinary action in accordance with the Rules of the Company or the Audit Committee shall be free to report the matter to appropriate legal authorities.

6. RESPONSIBILITIES OF THE COMPANY

The Company shall make every effort to ensure that:

- a. The concern / issue raised by the Whistle Blower shall be acted upon seriously;
- b. The Whistle Blower is not victimized;
- c. Complete confidentiality is maintained;
- d. No attempt to conceal / destroy the evidence is made;
- e. An opportunity of being heard is provided to all the persons involved, especially to the Subject;
- f. Disciplinary action is implemented as recommended by the Audit Committee.

7. CONFIDENTIALITY

- a. The Whistle Blower, the Subject, the Ombudsperson and everyone involved in the process shall:
 - i. Maintain utmost confidentiality / secrecy of the matter;
 - ii. Not discuss the matter in any informal / social gatherings;
 - iii. Not keep the pertinent documents unattended anywhere;
 - iv. Keep the electronic mails / files under password.
- b. In event of non-compliance, he / she shall be liable for such disciplinary action as deemed fit.

8. OTHERS

- a. The Company shall protect the Whistle Blower from any kind of harassment, retaliation, reprisal, victimization or any other unfair treatment by virtue of his / her having reported a Protected Disclosure under this policy. Any other employee / business associate assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- c. However, this protection shall not extend to immunity for involvement in the matters that are subject to the allegations and investigation. This policy does not protect Directors, employees and stakeholders from an adverse action taken independent of his disclosure of unethical and improper practice etc., unrelated to a disclosure made pursuant to this Policy.

- c. In event any retaliatory action or threats are faced by the Whistle Blower or any other employee assisting the investigations, he / she may inform the Ombudsperson in writing immediately.
- d. Whistle Blower who makes any Protected Disclosure, which is subsequently found to be mala fide or frivolous, may face disciplinary action.
- e. A yearly report with number of complaints received under the Policy and their findings and the corrective actions taken shall be placed before the Audit Committee and the Board.
- f. Access to the reports and records associated with the Protected Disclosures shall be restricted to the Ombudsperson and the Audit Committee only.
- g. Any information or document pertinent to the Disclosures will not be disclosed to the public unless required by any legal regulations.
- h. All the Protected Disclosures along with the results of the investigation relating thereto shall be retained by the Company for a minimum period of 7 years.

9. MISCELLANEOUS

The Management of Shree Renuka Sugars Limited shall reserve the rights to alter, amend or modify this Policy in whole or in part, at any time, or keep in abeyance all or any of these rules at any point of time without being required to give any notice or reason. Although, Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or need more clarity in the procedures. Such difficulties will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures or issue clarifications, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

In case of any dispute / difference or any point not covered under this policy, the decision of the Company shall be final and binding on all concerned.