

WHISTLE-BLOWER POLICY
SUDARSHAN CHEMICAL INDUSTRIES LIMITED

1. Preface

- 1.1 Sudarshan Chemical Industries Limited ("Sudarshan" or "Company") believes in conducting the affairs of the Company in a fair and transparent manner based on the principles of SSCRT - Seva, Courage, Commitment & Passion, Respect and Trust.
- 1.2 To facilitate this, the Company has formulated Whistle-blower policy (also known as "Vigil mechanism policy")
- 1.3 Sudarshan has implemented a system through which employees can voice their genuine concerns about any actual or suspected unethical or unacceptable business practice or wrongful conduct or any event of misconduct.

2. Objective

- 2.1 The objectives of Whistle-blower policy are as follows:
 - a) to facilitate employees at every level, to voice their concerns or observations, without fear, through relevant reporting channels mentioned in this policy;
 - b) ensure timely and consistent organizational response;
 - c) build and strengthen culture of transparency and trust;
 - d) provide protection against victimization.

3. Reference to other policies

- 3.1 This policy should be read in conjunction with other policies of the Company, like Code of Conduct, SCIL IT policy, Leave policy, etc.

4. Applicability

- 4.1 This policy is applicable to all employees and directors of the Company.

5. Scope of the Policy

- 5.1 The policy shall extend to cover incidents of any malpractices or events, which have taken place / suspected to have taken place involving inter-alia:
 - a) Violation of Code of Conduct;
 - b) Wastage/ Misappropriation of Company funds/ assets;
 - c) Financial irregularities, including fraud, or suspected fraud;
 - d) Conflict of interest;
 - e) Manipulation of Company data/ records;
 - f) Leakage of confidential/ proprietary information;
 - g) Abuse of authority;
 - h) Violation of law/ regulation, including but not limited to, corruption, bribery, theft, fraud, coercion, and willful act of commission or omission;
 - i) Criminal offence;

- j) Breach of contract;
- k) Negligence causing danger to public health and safety;
- l) Workplace harassment;
- m) Any other unethical, biased, favored, imprudent event or activity.

The above list is only illustrative and should not be considered as exhaustive.

6. Out of scope

- 6.1 The Whistle-blower mechanism should not be used for reporting of routine or operational matters like:
- a) Administrative / procedural issues related to compensation / reimbursement (e.g. reimbursement not credited on time)
 - b) Issues related to career progression, transfer or deputation, etc.
 - c) IT assets not working properly (e.g. printers not working)
 - d) Questioning the financial or other business decisions taken by the Management
 - e) Taxation related queries (e.g. excess tax deducted from salary)
 - f) Administrative / procedural aspects related to recruitment / job openings (e.g. to know the job openings in the Company)
 - g) Inappropriate administration facilities (e.g. tea / coffee machine in cafeteria, etc.).
- 6.2 The above list is only illustrative and should not be considered as exhaustive. The whistle-blower should apply his / her judgment in deciding whether the matter should / should not be reported under this policy.

7. Definitions

- 7.1 **CEC:** Complaint Enquiry Committee
- 7.2 **Complaint:** Any matter or misconduct or unethical practice reported through the whistle-blowing channels.
- 7.3 **Employee:** Every employee, consultant and director in the employment of the Company.
- 7.4 **Subject:** A person against or in relation to whom a complaint is made or evidence is gathered during course of an investigation.
- 7.5 **Whistle-blower:** An employee or a director who reports a complaint under this policy.
- 7.6 **Fraud Response Plan:** A response plan formulated to guide the CEC in taking disciplinary action against the Subject.

8. Reporting channels / Mode of raising complaint

- 8.1 To maintain highest level of confidentiality, the Company has outsourced the operation of Whistle-blowing channels to an external agency to receive the complaints and co-ordinate with the Whistle-blower, if required.
- 8.2 Any person, who wishes to report a complaint under this policy, may use any of the following Whistle-blowing channels:

1. Hotline - 1800 103 2931 (Access code – 78327)

- (a) This toll-free number will be operational 24 hours of the day, for all days in a year (including Saturday, Sunday and public holidays).

- (b) Calls can be made in English, Hindi and Marathi.
- (c) Once you call on this number, based on the language selected, an operator will guide you to report your complaint.
- (d) He / she will ask you a series of questions which will enable collection of maximum information.

2. Web reporting – www.speak-up.info/sudarshanchemicalindustries

- (a) This is a web page link where you can report your complaints.
 - (b) Once you click on the link, it will take you to a form, wherein you can record the complaint.
 - (c) The web page will be in English.
 - (d) Also refer clause 11.8 under Guidance to Reporting for selecting category of complaints while reporting through this channel.
- 8.3 On submission of complaint through any of the above channels, Whistle-blower would be provided with a unique reference number. Using this reference number, you can check the status of the complaint by either calling up the hotline or logging to the website.
- 8.4 It is also advisable (*not mandatory*) to provide contact information to facilitate further communication with the Whistle-blower. The external agency (whistle-blowing partner) will co-ordinate with the Whistle-blower for additional information (*if required*) through the contact details provided (*if any*).
- 8.5 Depending on the nature of complaint and sensitivities involved, a brief status update of the case will be provided to Whistle-blower, only on request.

9. How does the mechanism work?

- 9.1 A CEC has been formed to manage the overall mechanism and act on the complaints received. It shall consist of following individuals:
- (a) Human Resources Head
 - (b) Finance & Accounts Head
 - (c) Legal & Company Secretary
 - (d) Business Head
 - (e) Two lady members
- 9.2 All the complaints reported through Whistle-blowing channels mentioned in section 8 will be received by the external agency and then forwarded to three core members of CEC - Human Resources Head, Finance & Accounts Head and Legal & Company Secretary, for preliminary review.
- 9.3 Depending on the facts provided by the Whistle-blower and guidelines laid down in the 'Fraud Response Plan', the core members of CEC will initiate a preliminary review. Attempt will be made to initiate and complete preliminary review within 10 working days of receipt of complaints by the CEC, depending on the category of complaint.
- 9.4 The core members shall communicate the results of the preliminary review to other members of the CEC. Basis preliminary review, CEC shall decide on the further course of action:
- (a) If it appears that the complaint reported is baseless, or it is not a matter to be pursued under this policy, it may be dismissed at that stage and the decision documented.
 - (b) If it indicates that further detailed investigation is necessary, CEC will initiate the investigation itself or through an investigation team or an external agency appointed for this purpose.
- 9.5 Based on the result of the investigation, further action will be taken by the

CEC. It may include termination of contract or employment of/ with employee or vendors, initiating legal action, etc. The CEC may also take corrective measures like amending processes, implementing better controls, etc.

- 9.6 The Audit Committee will oversee the whistle-blowing mechanism. An update of all the complaints received and action taken will be provided to the Audit Committee periodically by the CEC.
- 9.7 If the complaint is against any member of the CEC, then he / she shall be excluded from the preliminary review, investigation and reporting of such cases. In such situation, the CEC shall appoint additional member for that purpose from the leadership team of Sudarshan or consult the Audit Committee Chairman for the same.

10. Escalation Protocol

- 10.1 Only in appropriate or exceptional cases (viz. when Whistle-blower is not satisfied with action taken on the complaint or complaint is against a Director / board member), the Whistle-blower can have direct access to Chairman of Audit Committee using the following channels:

(a) Whistle-blower can write to the following address:
Chairman, Audit Committee
Sudarshan Chemicals Industries Ltd,
162, Wellesley Road,
Pune - 411 001, India

OR

(b) Whistle-blower can write to the following Email ID:
chairman.auditcommittee@sudarshan.com

- 10.2 When escalating the matter, Whistle-blower should provide complete details of the complaint (including the unique reference number) and the reason for dissatisfaction.

11. Guidance to reporting

- 11.1 Whistle-blower mechanism is not supposed to substitute normal communication protocols in the Company. Accordingly, employees are encouraged to follow the steps set out below when they wish to report a complaint:

(a) Firstly, bring it to the notice of your supervisor.
(b) If that does not help or if the complaint is against the supervisor, then bring it to the notice of Head of Human Resource (HR).

- 11.2 If an employee does not feel comfortable highlighting the complaint to his / her supervisor or HR or above do not result in any satisfactory response or action, he/ she can use the reporting channels provided in this policy.

- 11.3 If a manager / supervisor receives a verbal complaint from his / her team member, he / she should report the same through the Whistle-blowing channels. The name of the colleague can be kept confidential if he / she so prefers.

- 11.4 Complaints can be reported anonymously under this policy. The identity of the Whistle-blower will remain confidential, even if disclosed while reporting the complaint.

- 11.5 A few points to be kept in mind before or while reporting a complaint:

(a) Attempt should be made to report the complaint immediately after the

- incident has occurred.
- (b) It should be factual and should contain as much specific information as possible (e.g. name of the person involved, designation, department, date of incident, time of incident, description of the incident, location, etc.).
 - (c) It may be noted that in absence of detailed information, it may not be possible for the Company to investigate the complaint.
 - (d) Whistle-blower may be requested for additional information on the complaint through the reporting channels.
 - (e) In case the Whistle-blower does not respond within 7 working days and the complaint cannot be investigated further due to lack of information, then it may be closed.
- 11.6 The Whistle-blower should not investigate or attempt to investigate the matter on his / her own (the Company has formed the CEC to take appropriate action).
- 11.7 The Whistle-blower does not have the right to participate in any investigative procedures unless requested by the CEC and subject to disclosure of his / her identity.
- 11.8 In case of reporting on website, Whistle-blower must select a category to which the complaint belongs. Whistle-blower may, based on his/ her judgment, select the category which best fits the complaint. Various categories with illustrative nature of complaints that will fit into these categories, have been tabulated below:

| Categories | Illustrations |
|-----------------------------|--|
| Human Resources | Harassment at work-place, discrimination at workplace, conflict of interest, physical assault, substance abuse, etc. |
| Manipulation / misreporting | Manipulation of accounts, misreporting in MIS, etc. |
| Legal | Irregularities in statutory compliances, potential violation of laws, etc. |
| Information Technology | Override of access / IT controls, violation of IT policy, use of pirated software, etc. |
| Bribery / Corruption | Bribery and corruption (involving government officials). |
| Fraud | Commission / kickbacks from vendors / dealers Irregularities in tendering, excessive / undue procurement Leakage of confidential information Siphoning of cash / other Company assets |
| Others / Unethical behavior | This is a residual category. If the whistle-blower is unable to select the best fit category for his / her Complaint, he/she may select this category |

12. Responsibility of person (Subject) being investigated

12.1 The Subject under investigation:

- (a) depending on sensitivity and seriousness of the complaint, may or may not be informed of the allegations or investigation being carried out;

- (b) has the duty to co-operate with the CEC / nominated sub-committee, investigator (internal or external agency) during the course of investigation;
 - (c) shall not withhold, delete, destroy or tamper with evidence, in any form;
 - (d) shall not intimidate or threaten the witnesses or interfere in the investigation;
 - (e) shall be given an opportunity to respond to material findings collated during the investigation unless there are compelling reasons not to do so.
- 12.2 The Subject may be placed on suspension until the investigation of complaint against him / her is completed.
- 12.3 System access of the Subject can be discontinued until the investigation of complaint against him / her is completed.

13. Protection

- 13.1 The Management is committed to protect the Whistle-blower as well as the Subject. No unfair treatment will be meted out to the Whistle-blower by virtue of his / her having reported a complaint under this policy.
- 13.2 The Management, as a policy, does not encourage any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against the Whistle-blower.
- 13.3 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 behavior or the like including any direct or indirect use of authority to obstruct the Whistle-blower's right to continue to perform his / her duties or functions including reporting further complaint.
- 13.4 In case of false / bogus / frivolous complaints, Company may take disciplinary action against the Whistle-blower.
- 13.5 Any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle-blower.

14. Secrecy/ confidentiality

- 14.1 The Whistle-blower, the Subject and everyone involved in the process shall maintain complete confidentiality / secrecy of the matter, discuss the same only to the extent necessary or with the persons required for the purpose of completing the investigation or under law.
- 14.2 The identity of the Whistle-blower if known, shall be kept confidential unless there is a regulatory requirement or for legal proceeding.

15. Reporting and overseeing

- 15.1 A quarterly report on complaints received under the Whistle-blower policy and their outcome shall be prepared by the CEC and placed before the Audit Committee for their information and review.

16. Document retention

16.1 Company will maintain appropriate documents for all the complaints received under the Whistle-blower policy and the action taken against them for a period of 8 years.

17. Amendments

17.1 The Board or the Audit Committee of the Company as the case may be reserves its right to amend and/ or modify this policy in whole or in part, at any time without assigning any reason whatsoever.