

Vigil Mechanism Policy

1. Introduction:

In the Companies Act, 2013 as per section 177 Suguna Foods Limited is to establish a vigil mechanism for employees and directors to report genuine concerns with adequate safeguards against victimization of persons who use such mechanism and complying with certain other conditions.

1.1 Objectives of the policy:

- i. Vigil mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy. The mechanism provides adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the chairman of the audit committee in exceptional cases.
- ii. This neither releases employees from their duty of confidentiality in the course of their work nor it can be used as a route for raising malicious or unfounded allegations against people in authority and/ or colleagues in general.

1.2 Effective Date:

The following policy has been formulated by the Audit Committee and adopted by the Board of Directors at its meeting held on 31.01.2015. This policy shall be operational with immediate effect.

1.3 Definitions:

- 1.3.1 **“Alleged wrongful conduct”** shall mean violation of law, infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health & safety or abuse of authority.
- 1.3.2 **“Ombudsperson Committee”** will be persons, who will be authorized for receiving/oversee all complaints under this Policy and ensuring appropriate action. The Audit Committee shall have the authority to appoint or change the Ombudspersons from time to time
- 1.3.3 **“Audit committee”** means audit committee constituted by the board of Directors of the company in accordance with Section 177 of the Companies Act, 2013.

- 1.3.4 **“Board”** means the board of Directors of the Company.
- 1.3.5 **“Employee”** means every employee of the company including directors in the whole time employment of the company.
- 1.3.6 **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behavior, actual or suspected fraud or violation of the Company’s codes or policies or any improper activity.
- 1.3.7 **“Whistle Blower”** may include a director or an employee or other stakeholder who makes a protected disclosure under this policy.

2. Scope of the policy:

- 2.1 Malpractices which have taken place/suspected to have taken place.
- 2.2. Misuse or abuse of authority.
- 2.3. Fraud or suspected fraud.
- 2.4. Violation of company rules.
- 2.5. Manipulations/negligence causing danger to public health and safety.
- 2.6. Misappropriation of monies and other matters or activity on account of which interest of the company is affected.

3. Applicability:

This policy applies to all the employees, directors, vendors, customers and any other stakeholders including business associates of the company to make protected disclosures raising their concerns.

4. Role and responsibility of Whistle blower

- 4.1. Reporting with reliable information.

4.2. Whistle blowers should not act their own in conducting any investigative activities, nor they have a right to participate in any investigative activities other than as requested by the Chairperson of the Audit Committee of the Company.

4.3. Protected Disclosure will be appropriately dealt with by the chairperson of the Audit Committee or the chairman of the Company as the case may be

5. Roles and responsibilities of Ombudsperson Committee

Ensure that the policy is being implemented.

Prominent communication Posters in all Suguna Locations to encourage escalating wrong doing by any employee or stake holder impacting Suguna Foods should be published and workshops held to encourage transparency, and the messages should be known to every stake holder as custodian of Ethical practices

Ascertain prima facie the credibility of the charge. If initial enquiry indicates further investigation is not required, close the issue.

Document the initial enquiry

Where further investigation is indicated, carryout this thoroughly.

Provide quarterly reports to the Audit committee of Suguna

Ensure that necessary safeguards are provided to the complainant. Conduct the enquiry in a fair, un-biased 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 suggesting disciplinary action, including dismissal and preventive measures.

Minute Committee deliberations and document the final report.

6. Roles and responsibilities of audit committee Chairman:

Ascertain the accuracy of the information furnished.

Nature and Quality of evidence.

Existence of relevant law and rules

Analyzing whether the action appears to be isolated or systematic

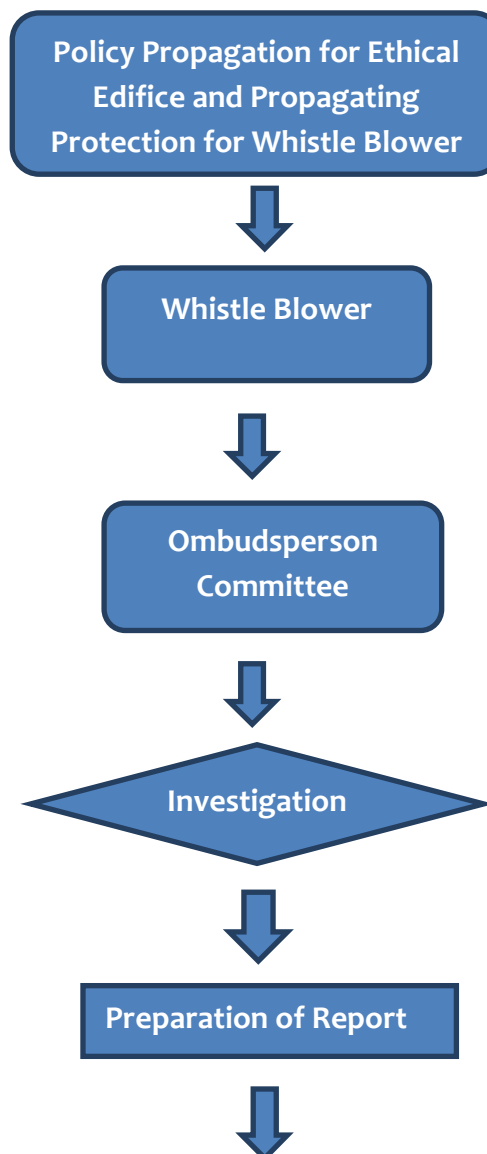
History of previous assertions regarding the same subject or subject matter

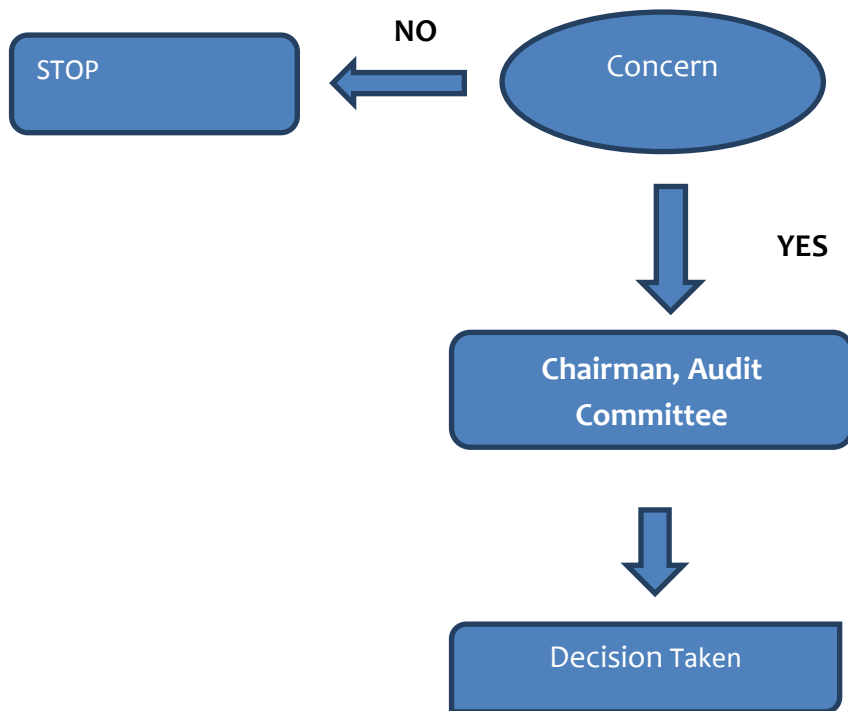
What are the avenues available for addressing the matter?

Seriousness or significance of the asserted action; and

7. Process is depicted with the help of a flow chart:

Policy Process Flow Chart Policy





Notes:

1. In circumstances where the ombudspersons are interested in such case direct access will be provided to the Chairperson of the audit committee.
2. In circumstances where the Chairperson of the audit committee is interested, in such case Mr.B.Soundararajan (Director) can be assessed.

Contact details

Ombudspersons: whistleblower@sugunafoods.co.in

Audit Committee Chairman: srikanths@jcssglobal.com

8. Changes to policy:

This policy can be changed, modified, rescinded or abrogated at any time by Board of Directors of the Company.

9. Action against malicious information

There would be strict disciplinary action to the extent of dismissal against the complainant in case of any unscrupulous/ base less/ wrong allegation.