SURANA INDUSTRIES LIMITED
CIN:L27104TN1991PLC020533

VIGIL MECHANISM/
WHISTLE BLOWER POLICY
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1. **Background:**

1.1. Clause 49 of the Listing Agreement, inter alia, provides for a non-mandatory requirement for all listed companies to “establish a mechanism for employees to report to the management, instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct or ethics policy.”

1.2. “This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases.”

1.3. “Once established, the existence of the mechanism may be appropriately communicated within the organization.”

1.4. The Whistle Blower Policy (“Policy”) is intended to conform to the guidance set out in the Code of Corporate Governance which encourages employees to raise concerns, in confidence, about possible irregularities.

2. **Coverage and Scope:**

2.1. This policy covers Surana Industries Ltd (SIL) and all its associate companies and subsidiaries.

2.2. The policy covers all permanent and temporary employees of SIL and its subsidiaries and associate companies.

2.3. The policy intends to cover **serious and sensitive issues/actions** (actual or suspected). Serious concerns with regard to financial misappropriation, unethical or illegal conduct, violation of the code of conduct shall be reported to the Chairman of the Audit Committee in writing.

2.4. This Policy aims to provide an avenue for employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimization for whistle blowing in good faith.
3. Definitions:

3.1. **Disciplinary Action** means any action that can be taken on the completion of / during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or action pursuant to the terms and conditions of appointment or any other action as is deemed to be fit considering the gravity of the matter.

3.2. **Employee** means all permanent or temporary employees of the company, its associates and its subsidiaries, under probation or otherwise and includes directors under full time employment.

3.3. **Investigating Authority** means any Committee or a fulltime senior level employee, well respected for his/her integrity, independence and fairness or such other persons as may be authorized by the Whistle officer/Chairman of the Audit Committee.

3.4. **Policy** means the Whistle Blower Policy.

3.5. **Protected Disclosure** means any report/complaint/disclosure made in good faith by the whistle blower.

3.6. **Subject** refers to person or persons under investigation.

3.7. **Unethical or Improper Practice** include acts, which do not confirm to approved standards of social and professional behavior, acts leading to unethical business practices, unethical conduct, breach of etiquette or morally offensive behavior.

Some examples include (this list is not exhaustive):

- Breach of or failure to implement or comply with the Group’s policies or code of conduct
- Impropriety, corruption, acts of fraud, theft and/misuse of the Group’s properties, assets or resources.
- Abuse of power or authority.
- Intentional provision of incorrect information to public bodies.
- Serious conflict of interest without disclosures.
- Any other serious improper matters which may cause financial or non-financial loss to the Group or damage the Group’s reputation..

Some examples on financial or accounting examples include (this list is not exhaustive)

- Concerns about the Group’s accounting, internal controls or auditing matters.
- Fraud against investors, or the making of fraudulent statements to the Stock Exchanges, members of the investing public and regulatory authorities.
3.8. **Whistle Blower** means an employee of the company who discloses in good faith any unethical & improper practices or alleged wrongful conduct, actual or suspected, to the Whistle Officer or the Chairman of the Audit Committee in writing.

3.9. **Whistle Officer** means a person designated by the Audit committee at its meeting to receive protected disclosure concerning unethical or improper practices. He/she shall be fulltime senior level employee well respected for his/her integrity, independence and fairness.

4. **Policy**

4.1. No adverse/disciplinary action shall be taken/recommended against a whistle blower in retaliation to his disclosure in good faith of any actual or suspected, unethical & improper practices or alleged wrongful conduct. This policy protects such employees from unfair termination and unfair prejudicial employment practices.

4.2. However, this policy does not protect such employees from adverse/disciplinary action which occurs independent of his/her disclosure of unethical & improper practices or alleged wrongful conduct, poor job performance or any other action in accordance to clause 10 of the terms and conditions of employment, unrelated to a disclosure made pursuant to this policy.

5. **Procedure:**

   The procedure and guidelines for reporting are as follows:

5.1. All protected disclosures regarding Unethical or Improper Practice shall be sent in writing to the Whistle Officer.

5.2. All protected disclosures concerning financial or accounting matters shall be sent in writing directly to the Chairman of the Audit Committee.

5.3. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible, sufficient grounds and should help in initial assessment and investigation.

5.4. The Whistle blower must disclose his / her identity in the complaint and anonymous complaints will not be accepted.

5.5. The whistle blower is not expected to prove the truth of an allegation; he/she however needs to demonstrate to the Whistle Officer/Chairman of the Audit Committee, that there are sufficient grounds for concern.

5.6. In case the Whistle blower is not satisfied with decision of Whistle Officer he/she may refer the same to the Chairman of the Audit Committee.
6. **Investigation:**

6.1. The Whistle Officer/Chairman of the Audit committee shall go through the disclosure and depending on the gravity or seriousness of the protected disclosure shall appoint appropriate Investigating Authority to conduct an investigation.

6.2. The investigation will be a neutral fact finding process and will not mean that the charges leveled have been proved.

6.3. The investigating authority would upfront contact the subject of the allegation.

6.4. All Employees are expected to co-operate with the authority.

6.5. If the subject agrees to the charges, then the investigating authority would prepare the report and recommend future course of action and submit it to the Whistle Officer/Chairman of the Audit Committee.

6.6. If the subject refutes the charges the investigating authority would conduct detailed enquiries and may interview and collect facts from other employees and sources. The Investigating Authority may draw upon technical or other resources as required for the investigation.

6.7. The Investigating authority will prepare a report and recommend future course of action within 30 days on the basis of the investigations and submit it to the Whistle officer/Chairman of the Audit Committee.

6.8. The Whistle Officer/Chairman of the Audit Committee shall communicate decision to the whistle blower and to the management within 2 days of the report of the Investigating Authority.

6.9. The Whistle Officer/Chairman of the Audit Committee shall submit quarterly reports to the Audit Committee with respect to protected disclosures received, action taken and status. The Audit Committee shall review the same at its meeting.
7. **Safeguards/Protection:**

The ‘Whistle blower’ will be provided the following protection under this policy:

7.1. It is the duty of the Whistle officer/Chairman of the Audit Committee to keep the identity of the whistle blower and the subject under investigation, confidential to the extent best possible.

7.2. Exceptional circumstances under which information provided by the Whistle blower could or would not be treated in confidence include:

- Where the Group is under a legal obligation to disclose information provided;
- Where the information is already in the public domain;
- Where the information is given on a strictly confidential basis to legal or auditing professionals for the purpose of obtaining professional advice; and or
- Where the information is given to the Police or other authorities for criminal investigation.

7.3. In the event Whistle officer/Chairman of the Audit Committee is faced with a circumstances not covered by the above, and where the Whistle blower’s identity is to be revealed, Whistle officer/Chairman of the Audit Committee will endeavour to discuss this with the Whistle blower.

7.4. It is the duty of the company to ensure that there is no unfair treatment meted out to the Whistle blower. Harassment, discrimination or victimization of the parties will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee. Protection will be given to the Whistleblower to ensure that there is no direct or indirect impact of the incident e.g. termination, disciplinary action, transfer, delay in promotion, etc.

7.5. Any other employee assisting in the investigation will be protected to the same extent as the Whistle blower.

7.6. If a Whistle blower makes an allegation knowing it to be false or with mala fide intentions, no protection will be provided under this policy and he / she may be subject to disciplinary action.
8. Notification

8.1. All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. Every departmental head shall submit a certificate duly signed by him to be placed before the Audit committee that this policy was notified to each employee of his department.

8.2. The new employees shall be informed about the policy by the HR department and statement in this regard should be periodically submitted to the Audit Committee.

8.3. The policy as amended from time to time shall be made available on the website of the Company.

9. Annual Affirmation

9.1. The Company shall annually affirm that it has not denied any personnel access to the Chairman of the Audit Committee and that it has provided protection to Whistle blowers from disciplinary action.

9.2. The affirmation shall form part of Corporate Governance report as attached to the Annual report of the Company.

10. Amendments

10.1. The audit committee shall periodically review, at its meeting, the functioning of the whistle blower policy and may amend the policy from time to time.

11. Contact Details

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

Dr.B.Samal, Chairman of the Audit Committee

Email: chairmanac@suranaind.com/ombudsperson@suranaind.com

The contact details of the Whistle Officer

Email: whistleofficer@suranaind.com