

K.C.P.SUGAR AND INDUSTRIES CORPORATION LIMITED

WHISTLE BLOWER POLICY

PREFACE:

The Company has adopted K.C.P.Sugar and Industries Corporation Limited Code of Conduct to ensure that the affairs of the Company are conducted in a fair and transparent manner. To realise this mission the Model Code of Conduct designed for the Directors as well as Employees lays down the principles and highest standards of integrity, professionalism and honesty. The Whistle Blower Policy is intended to cover genuine concerns or violations of legal or regulatory requirements that could have a large impact on the Company regarding actions (actual or suspended) that

- ❖ Are unlawful or
- ❖ Are not in line with the applicable company policy or
- ❖ May lead to incorrect financial reporting or
- ❖ Serious mis-conduct.

Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014, mandates establishment of a Vigil Mechanism for the following classes of Companies:

1. Every listed Company;
2. Every other Company which accepts deposits from public'
3. Every Company which has borrowed money from banks and public financial institutions in excess of Rs.50 crores.

Further, amendment to clause 49 (VI)(F), of the Listing Agreement between the Listed Companies and the Stock Exchanges, dated 17.04.2014, vide clause 6(F), mandates establishment of a mechanism called Whistle Blower Policy for Directors and Employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy.

OBJECTIVE:

To provide employees, customers and vendors an avenue to raise genuine concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements or reports or suspected misconduct without fear of reappraisals, victimization or unfair treatment for whistle blowing in good faith.

The vigil mechanism policy makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

The Policy neither releases employees 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.

POLICY:

The Whistle Blower Policy enables all stakeholders including individual employees and their representative bodies to freely communicate their concerns about illegal or unethical practices, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. This mechanism also provides adequate safeguards against victimization of the whistle blowers.

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DEFINITIONS:

- **‘Audit Committee’** means the Audit Committee constituted by the Board of Directors in accordance with Section 177 of the Companies Act, 2013 read with clause 49 of the Listing Agreement.
- **‘Company’** means K.C.P.Sugar and Industries Corporation Limited.
- **‘Complainant’** means any stakeholder making a disclosure under this policy. The Complainant’s role is that of a reporting party and not that of an investigator. Although the Complainant is not expected to prove the truth of an allegation, yet he needs to demonstrate to the Ombudsperson / Chairman of the Audit Committee / Ethics Counsellor that there are sufficient grounds for concern.
- **‘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 any such action as is deemed to be fit considering the gravity of the matter.
- **‘Employee’** means every employee of the Company.
- **‘Good faith’** – An employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good faith shall be deemed lacking when the employee does not have personal knowledge on factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- **‘Investigator’** means Chairman of Audit Committee of Board of Directors of the Company and includes the Whistle Officer / Whistle Committee appointed by the Audit Committee for the purpose of investigation.
- **‘Policy’** or **‘This Policy’** means whistle blower policy or K.C.P.Sugar and Industries Corporation Limited.
- **‘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. It should be factual and not speculative in nature.
- **‘Subject’** means a person or a group of persons against or in relation to whom a protected disclosure is made or evidence gathered during the course of an investigation under this policy.
- **‘Whistle Blower’** means someone who makes a protected disclosure under this policy.

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- **‘Whistle Officer’ or ‘Whistle Committee’** means an Officer or a Committee of persons who is / are nominated / appointed by the Audit Committee of the Board of Director of the Company, to conduct detailed investigation of the disclosure received from a whistle blower and recommend disciplinary action. **The Chairman of the Audit Committee functions as Whistle Officer.**

SCOPE:

Various stakeholders of the Company are eligible to make protected disclosures under this Policy. These stakeholders may fall into any of the following broad categories:

- Employees of the Company.
- Employees of other Agencies deployed for Company’s activities, whether working from any of the Company’s offices or any other location.
- Contractors / Vendors / Suppliers / Agencies (or any of their employees) providing any material or service to the Company.
- Customers of the Company.
- Any other person having association with the Company.

COVERAGE OF POLICY:

This policy covers malpractices and events which have taken place / suspected to take place, involving

- Abuse of authority
- Breach of contract
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of Company’s data / records.
- Financial irregularities including fraud or suspected fraud or deficiencies in internal control and check or deliberate error in preparation of financial statements or misrepresentation of financial reports.
- Any unlawful act whether criminal or civil.
- Pilferage of confidential / propriety information.
- Deliberate violation of law and regulation
- Wastage or misappropriation of Company funds / assets
- Breach of Company policy or Employee code of conduct
- Any other unethical, biased, favoured or imprudent event.

Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

DISQUALIFICATIONS:

While it will be ensured that genuine whistle blowers are accorded complete protection from any kind of unfair treatment has herein set-out, any abuse of this protection will warrant disciplinary action.

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Protection under this policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistle blower, knowing it to be false or bogus or with *mala fide* intention.

Whistle Blowers who made any protected disclosure which have been subsequently found to be mala fide or frivolous or malicious, shall be liable to be disqualified from reporting further protected disclosures under this policy. In respect of such whistle blower, the Company / Audit Committee would reserve its right to take / recommend appropriate disciplinary action.

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ANNEXURE A

PROCEDURE:

- a. The contact details of the Chairman of the Audit Committee are:

Shri.M.S.V.M.Rao
Chairman – Audit Committee
K.C.P.Sugar and Industries Corporation Limited
'Ramakrishna Buildings'
No.239, Anna Salai – Chennai 600006.

- b. Protected disclosure should preferably be reported in writing (typed or hand-written) in English or in the regional language of the place of employment / business / residence of the whistle blower, so as to ensure a clear understanding of the issues raised. Anonymous disclosures will not be entertained.
- c. The protected disclosure should be forwarded under covering letter which bears the identity of the whistle blower.
- d. Protected disclosure should be factual and not speculative or in the nature of a conclusion and should contain as much specific information as possible, to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

INVESTIGATION:

All protected disclosures reported under this policy will be thoroughly investigated by the Audit Committee of the Company. If any member of the Audit Committee has a conflict of interest in any given case, then he / she should recuse himself / herself and other members of the Audit Committee should deal with the matter on hand. Audit Committee at its discretion may consider involving any Investigator for the purpose of investigation.

The decision to conduct an investigation by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact finding process. The outcome of the investigation may not support the concern of the whistle blower that an improper or unethical act was committed.

The identity of the subject will be kept confidential to the extent possible given the legitimate needs of the law and investigation.

Subjects will normally be informed of the allegations at the outset of a formal investigation and will have opportunities for providing their inputs during the investigation.

Subjects shall have the duty to cooperate with the investigators during investigation to the extent that such cooperation will not comprise self-incrimination protections available under the applicable laws.

Subjects will have a right to consult with a person or persons of their choice other than the investigators / members of the Audit Committee and / or of the Whistle Blowers. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

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Subjects have the responsibility not to interfere with the investigation, evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, threatened or intimidated by the subjects.

Unless there are compelling reasons not to do so, subjects will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject shall be considered as maintainable unless there is good evidence in support of the allegation.

Subjects shall have the right to be informed of the outcome of the investigation.

The investigation should be completed normally within 45 days from the date of receipt of the protected disclosure.

PROTECTION:

No unfair treatment will be meted out to a whistle blower by virtue of his/her having reported the protected disclosure under this policy.

The Company has a policy condemns any kind discrimination, harassment, victimisation or any other unfair employment practice being adopted against whistle blowers.

Complete protection will therefore be given to whistle blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service / disciplinary action / transfer / demotion / refusal of promotion or the like including any direct or indirect use of authority to obstruct the whistle blower right to continue to perform his / her duties including making further protected disclosure.

The Company will take adequate steps to minimize difficulties, if any, which the whistle blower may experience as a result of making the protected disclosure. Thus, 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.

A whistle blower may report any violation of the above clause to the Chairman of the Audit Committee who shall investigate into the same and recommend suitable action to the Management.

The identity of the whistle blower shall be kept confidential to the extent possible and permitted under the Law.

Whistle Blowers are cautioned that their identity may become known for reasons beyond the control of the investigators (Example: during investigation carried out by the investigators).

The protection is available provided that

- a. The communication / disclosure is made in good faith;
- b. He / She reasonably believes that the information and any allegations contained in it are substantially true; and
- c. He / She is not acting for any personal gain.

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Any other employee / business associate assisting in the said investigation shall also be protected to the same extent as the whistle blower.

ACCOUNTABILITIES – WHISTLE BLOWERS

1. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide a proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence, and also financial loss for the Company.
2. Avoid anonymity while raising a concern.
3. Follow the procedures prescribed in this policy for making a disclosure.
4. Cooperate with the investigating authorities, maintaining full confidentiality.
5. The intent of the policy is to bring genuine and serious issue to the fore and not intended for petty disclosures, malicious allegations by the employees may attract disciplinary action.
6. A whistle blower has a right to protection from retaliation which does not extend to immunity for involvement in the matters that are subject of the allegations and investigation.
7. In exceptional cases where the whistle blower is not satisfied with the outcome of the investigation carried out by the investigators, he / she can make a direct appeal to the Managing Director of the Company.

ACCOUNTABILITIES - INVESTIGATORS

1. Conduct the enquiry in a fair and unbiased manner.
2. Ensure complete fact-finding.
3. Maintain strict confidentiality.
4. Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
5. Recommend an appropriate course of action.
6. Record Committee deliberations and document the final report.

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PROCEDURE FOR REPORTING AND DEALING WITH DISCLOSURES

1. A disclosure should be made in writing. Letters can be submitted by hand delivery / courier / by post, addressed to Whistle Officer / Whistle Committee. E-mails can be sent to e-mail ID disclosure@kcpsugar.com . While the disclosure should normally be submitted to the Whistle Officer / Whistle Committee, it may also be submitted directly to the Chairman of the Audit Committee of the Board of Directors via e-mail ID disclosure.cac@kcpsugar.com when the whistle blower feels it necessary under the circumstances.
2. The disclosure must contain the following details:
 - a. Name, address and contact details of whistle blower (including employee code, if the whistle blower is an employee).
 - b. Brief description of malpractice, giving the names of those alleged to have committed or about to commit a malpractice.
 - c. Specific details such as time and place of occurrence must be disclosed.
3. The investigator shall acknowledge receipt of disclosure as soon as practical, preferably within a week of receipt of disclosure.
4. The investigator will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the disclosure, constitute a malpractice by discussing with Chairman as well as Managing Director of the Company.
5. If the investigator determines that the allegations do not constitute a malpractice, he / she will record this finding with reasons and communicate the same to the whistle blower.
6. If the investigator determines that the allegations constitute a malpractice, he / she will proceed to investigate the disclosure with the assistance of the Audit Committee members, senior level officers of Personnel and Administration / Finance and Secretarial and the representatives of Division or Department where the breach has occurred, as he / she deems necessary. If the alleged malpractice is required by law to be dealt with under any other mechanism, the investigator shall refer the disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.
7. The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the investigator for the purpose of such investigation shall do so. Individuals with whom the investigator requests an interview for the purpose of such investigation, shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
8. If the malpractice constitute a criminal offence, the investigator will bring it to the notice of Chairman as well as Managing Director of the Company and take appropriate action including reporting the matter to police.

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9. The investigator shall conduct such investigation in a timely manner and shall submit a written report containing the findings and recommendations to the Chairman, Audit Committee as soon as it is practically possible and in any case not later than 90 days from the date of receipt of disclosure. The Chairman-Audit Committee may allow additional time for submission of the report based on the circumstances in each case.
10. The investigator shall keep the whistle blower informed of the results of the investigations and its recommendations subject to any obligations of confidentiality.
11. Subjects will normally be informed of the allegations at the outset of the formal investigations and will have opportunities for providing their inputs during the investigation.
12. The whistle blower may inform the investigator if he faces any retaliatory action or threats of retaliatory action as a result of making a disclosure. The investigator will take cognizance of each and every such complaint / feed-back received and investigates the same accordingly. The investigator may also recommend appropriate steps to protect the whistle blower from exposure to such retaliatory action and ensure implementation of such steps for his protection as he deems fit.

WHISTLE COMMITTEE COMPRISING OF:

Whistle Officer .. Shri. M.S.V.M.Rao - Non-Wholetime Independent
Director and Chairman of Audit Committee.

Other Members of Committee: 1. Shri.R.Ganesan, Chief Financial Officer
2. Shri.K.Kalyanaraman, Senior General Manager (Tech)
3. Shri.S.Chidambaram, General Manager (Fin) &
Company Secretary
4. Smt.I.L.Florence, General Manager (HR & Admn).

PROCESS FLOW

