



PONNI SUGARS (ERODE) LIMITED

CIN : L15422 TN1996 PLC037200
Regd. Office: ESVIN House, No.13, Rajiv Gandhi Salai (OMR)
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Whistle Blower Policy

[Effective Date:31.10.2014 – Last amended Date:27.03.2020]

The Board of Directors of the company pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing (Obligations & Disclosure Requirements) Regulations, 2015 have adopted a whistle blower policy in October 2014. This is periodically reviewed by the Board. It seeks to establish a vigil mechanism for directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The vigil mechanism provides for adequate safeguards against victimization.

The Chairman of the Audit Committee of the Board has been designated as the Ombudsperson to whom complaints under the vigil mechanism can be made. The process is overseen and monitored by the Audit Committee of the Board.

The whistle blower policy, as approved by the Board, is appended. Employees and other stakeholders are encouraged to make use of the whistle blower policy to bring genuine concerns to the direct notice of the Ombudsperson. All such persons making the complaint are guaranteed of due protection under this policy.

In case of any doubts or clarifications required, the compliance officer may be approached. For this purpose, the Company Secretary is the compliance officer and email may be addressed to rm@ponnisugars.com



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Whistle Blower Policy approved by the Board

1. Preface

- 1.1 Ponni Sugars (Erode) Limited (the Company) is firmly committed to and in steadfast pursuit of highest standards of business ethics and management practices in the conduct of its business.
- 1.2 The company has already formulated a code of conduct for directors and senior management personnel which is posted on its website. Annual confirmation is obtained from each of them on due compliance with the code and it is affirmed in the Corporate Governance Report of the company. All the employees are covered by the Industrial Standing Order.
- 1.3 Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 22 of the Listing (Obligations & Disclosure Requirements) Regulations, 2015 require the establishment of a vigil mechanism and giving due protection to the whistle blower. Accordingly this Whistle Blowing Policy supplements the code of conduct.
- 1.4 The whistle blowing policy expects directors, employees and other stakeholders to be the guardian of the company's core values. The spirit of the policy is to foster a sense of collective responsibility in safeguarding the business interests. It essentially provides for reporting in confidence and with confidence.
- 1.5 Operational concerns shall continue to be raised with the head of the department or unit head. Whistle blowing mechanism is in essence meant for potentially serious or sensitive issues.

2. Objective

- 2.1 The policy aims to provide employees, customers, cane growers, other suppliers and contractors [hereinafter described as “**Whistle Blower**”] a suitable platform to raise concerns and voice issues on actual or potential violation to the code of business conduct.
- 2.2 The policy seeks to provide necessary safeguards for the protection of “**Whistle Blower**” from reprisals or victimization for whistle blowing done in good faith.
- 2.3 There are existing procedures in place to enable employees to lodge their grievances relating to their own employment. This whistle blowing policy is intended to cover concerns that fall outside the scope of other procedures.

3. Eligibility

- 3.1 All employees and other stakeholders are eligible to make a complaint in terms of the whistle blower policy. It means any communication made in good faith disclosing information or drawing attention to practices that may evidence unethical or improper activity. The person making such a complaint is a “**Whistle Blower**”.
- 3.2 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 fact finders, nor would they suggest corrective or remedial action in a given case.
- 3.3 The whistle blower must ensure that the complaints are factual and not speculative or mere surmise. It should contain as much specific information as possible to facilitate proper assessment of the nature and extent of the concern and the urgency to trigger a preliminary investigation procedure.

4. Whistle blowing events

4.1 The whistle blowing policy is intended to cover serious concerns that should have a large impact on the company.

4.2 Actions (actual or suspected) that could trigger whistle blowing would include those leading to or resulting in –

- Violation of code of business conduct (the ethics)
- Breach of Law or Regulation
- Financial irregularities, including fraud or suspected fraud.
- Deficiencies in internal control or deliberate errors in preparation of Financial Statement.
- Abuse of authority
- Pilferation of confidential/ propriety information.
- Possible loss, injury or reputation to the Company by any act of commission or omission.

5. Safeguards

5.1 Confidentiality

Whistle blower should put his name and reference for proper identification while making the complaint. Every effort will be made to protect his identity subject however to legal constraints.

5.2 Protection

Whistle blower will be given complete protection from discrimination, harassment, victimization, retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, demotion, refusal of promotion or other unfair employment practices or the like including any direct or indirect use of authority to obstruct the whistle blower's right to continue to perform his duties/ functions.

5.3 *Extension of cover*

Any other employee or other stakeholder assisting in the course of investigation will also be protected to the same extent as the whistle blower.

5.4 *Malicious allegation*

The whistle blower will however be exposed to disciplinary action arising out of false, reckless, malicious, unfounded or frivolous allegations with a *mala fide* or ulterior intent or purpose.

Whistle blowers who are found to be making wrongful complaints by misusing whistle blower policy will be disqualified from making further complaints for such period as the Ombudsperson may determine. While employees in those cases will invite disciplinary action, other stakeholders may be barred from further contracts permanently or for a specified period.

5.5 *Bonafide acts*

However no action will be taken against the “**Whistle Blower**” who has acted bonafide and in good faith even if the allegation is not proved right at the end of investigation.

6. **Making a complaint**

6.1 The company has designated the Chairman of Audit Committee as the Ombudsperson to deal with whistle blower’s complaint.

6.2 Every complaint shall be addressed in writing (English or Tamil) to the Ombudsperson and signed by the whistle blower. A copy may also be sent by email.

6.3 The whistle blower is entitled to send complaints pertaining to any director or senior management. He has at all times direct access to the Ombudsperson over phone/ email/ mail.

6.4 The contact details of Ombudsperson is as under:

Mr V Sridar
303, HPCL Employees CHS
Plot No.NDR-11, Tilak Nagar
Chembur, Mumbai 400 089
Phone:022- 22936974
Email:venkatesan.sridar@gmail.com

6.5 The whistle blower is expected to make the complaint not later than 90 days after he became aware of the event for being able to effectively deal with the issues involved.

6.6 Advice and guidance on making a complaint can be sought from the HR Head or the President & CFO.

7. Dealing with complaint

7.1 Anonymous complaints may not be entertained by the Ombudsperson.

7.2 The Ombudsperson will issue an acknowledgment to the whistle blower within seven days of receipt.

7.3 If initial enquiries by the Ombudsperson suggest that the complaint has no basis or it is not a fit and proper case to be pursued under this policy it may be dismissed at this stage. His decision together with reasoning will be duly recorded.

7.4 Investigation shall be launched if on a preliminary review, it is *prima facie* established that –

- the alleged act may constitute an improper or unethical activity or conduct;
- the allegation is supported by information specific enough to be investigated or otherwise worthy of investigation in the view of Ombudsperson.

- 7.5 The Ombudsperson for conducting the investigation will have access to every employee or director and to all records and documents connected therewith. He may also engage the services of outside experts as deemed fit and necessary. All costs will be borne by the Company.
- 7.6 The whistle blower may be involved at the appropriate stage by the Ombudsperson to have opportunity to provide additional inputs/ explanation during the investigation, including an appropriate opportunity of being heard. The whistle blower shall co-operate with the Ombudsperson or the investigating agency to the best of his knowledge and ability.
- 7.7 The Ombudsperson shall endeavour to complete the investigation normally within sixty days of the receipt of complaints and submit his report to the Audit Committee.
- 7.8 If the Ombudsperson is satisfied that an improper or unethical activity has been undertaken, he may in his report recommend to the Audit Committee for taking such disciplinary or remedial action as deemed fit. Any such action against an employee shall however adhere to the extant Labour Laws and Industrial Standing Order of the company.
- 7.9 The decision of the Audit Committee which is final and not open to challenge in any manner will be communicated to the whistle blower in writing.

8. Report to Audit Committee

- 8.1 The Ombudsperson will provide Quarterly and Annual Reports to the Audit Committee. This report shall have a summary of complaints received and dealt.

8.2 The Audit Committee will directly interact with the Managing Director on the reports of the Ombudsperson and record its final view on the disposal of complaint.

8.3 The Audit Committee Chairman or any of its members having conflict of interest shall recuse himself from dealing with the complaint in any manner. Where Audit Committee Chairman has a conflict, the Audit Committee will designate one of its other members as Ombudsperson to deal with such complaint.

9. Compliance Officer

The Company Secretary as the compliance officer of the Company shall also act as the compliance officer under the Whistle Blower Policy.

10. Right to amend

10.1 The Company reserves its right to amend or modify the policy from time to time without assigning any reason whatsoever.

10.2 The Audit Committee has also the right to review the policy and suggest changes to make it responsive and relevant to the changing times.
