

## **VIGIL MECHANISM**

1. **BACKGROUND:** In terms of Section 177 (9) of the Companies Act, 2013, every listed company are required to establish a Vigil Mechanism(Whistle Blower Policy) for the Directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of Directors & employees who use such mechanism and also make provisions for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases, Sarda Proteins Ltd. being a Listed Company, establishes the Vigil Mechanism (Whistle Blower Policy) as under:
2. **POLICY OBJECTIVES AND SCOPE:**
  - 2.1. A Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees & Directors by giving them direct access to the Chairman of the Audit Committee in exceptional cases. This policy is an extension of the Code of Conduct and formally reported by whistle blowers where the interest of the Company is affected.
3. **COVERAGE OF POLICY:** The policy encourages all the Whistle Blowers to voice all their genuine concerns which shall include but not limited to the following:
  - a. Abuse of authority;
  - b. Breach of trust;
  - c. Breach of confidentiality;
  - d. Any unlawful act, whether criminal (e.g. theft) or a breach of the civil law (e.g. slander or libel);
  - e. Manipulation of Company data/records;
  - f. Breach of any Policy or Manual or Code adopted by the Company;
  - g. Financial irregularities, including fraud, or suspected fraud;
  - h. Deliberate violation of law/regulation;
  - i. Misappropriation of Company assets/funds; and
  - j. Any other unethical or improper conduct.
4. **PROCEDURES FOR WHISTLE BLOWING:**
  - 6.1. Protected Disclosures should be reported in writing to the Chairman of the Audit Committee by the complainant as soon as possible after the whistle blower becomes aware of the same so as to ensure a clear understanding of the issues raised.
  - 6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be superscribed as "Protected disclosure under the whistle blower policy" without name and address of the complainant to protect the identity. The audit committee assures that in case any further clarification is required he will get in touch with the complainant.
  - 6.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Nodal Officer.
  - 6.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Nodal Officer / Chairman of Audit Committee shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.

6.5. All Protected Disclosures should be addressed to the Company Secretary/ Compliance Officer or Chairman of the Audit Committee of the Company.

6.6. On receipt of the protected disclosure the Nodal Officer / Chairman of the Audit Committee shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not before referring the matter to the Audit Committee for further appropriate investigation and needful action.

#### **7. INVESTIGATION:**

7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee shall investigate and may at its discretion consider involving any other Officer of the Company.

7.2 The decision to conduct an investigation taken by the Audit Committee by itself is not an accusation and is to be treated as a neutral fact finding process.

7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard to the extent that such cooperation will not compromise self incrimination protections available under the applicable laws.

7.5. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

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

7.7. Subject(s) have a right to be informed of the outcome of the investigations.

7.8. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit and as applicable.

#### **8. DECISION AND REPORTING:**

8.1. Audit Committee along with its recommendations will report its findings to the Disciplinary Authority of the Company. Disciplinary Authority shall take action within 15 days of receipt of report as deemed fit or close the matter for which reason should be recorded in writing. Copy of above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.

8.2. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

8.3. A complainant who makes false allegations of unethical & improper practices or about wrongful conduct of the subject to the Nodal Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

#### **9. SECRECY / CONFIDENTIALITY:**

9.1. The complainant, Nodal Officer, Members of Audit committee, the Subject and everybody involved in the process shall:

9.1.1. Maintain confidentiality of all matters under this Policy

9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

#### **10. PROTECTION:**

10.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.

10.2 The identity of the Whistle Blower shall be kept confidential.

10.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

**11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE:** The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

The following is the office address of the Chairman of the Audit Committee:

Name: Mr. Kailash Kumar Dhoot

Address: G 1-177(A) Matsya Industrial Area, Alwar-301030

Email: sardaproteins@yahoo.com

#### **12. COMMUNICATION:**

A whistle blower policy cannot be effective unless it is properly communicated to by employees. Employees shall be informed through publishing in notice board and the website of the Company.

#### **13. RETENTION OF DOCUMENTS:**

All Protected disclosures documented along with the results of investigation relating thereto, shall be retained by the Nodal Officer for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

**14. ADMINISTRATION AND REVIEW OF THE POLICY:** The Chairman of Audit Committee of the Company shall be responsible for the administration, interpretation, application and review of this policy. The Chairman of Audit committee of the Company also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

#### **15. MODIFICATION:**

The Company may modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company.

**16. DISCLOSURE IN ANNUAL REPORT:** The details of establishment of Vigil Mechanism/Whistle Blower Policy shall be disclosed by the Company in its Annual Report in the Board's Report.