



## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

### **Preamble**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel (“the Code”), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. A vigil mechanism shall provide for an avenue to bring to the notice of the management any violation of such policy as well as provide adequate safeguards against victimization of persons who use such mechanism.

Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism –

- Every listed company;
- Every other company which accepts deposits from the public;
- Every company which has borrowed money from banks and public financial institutions in excess of Rs.50 crores.

Further, Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges has been recently amended which, *inter alia*, provides for a mandatory requirement for all listed companies to establish a mechanism called the ‘Whistleblower Policy’ for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy.

Accordingly, this Whistleblower Policy (“the Policy”) has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Chairman of the Audit Committee of the Company.

### **Objective**

This policy seeks the support of employees, channel partners and vendors to report significant deviations from key management policies and report any non-compliance and wrong Practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior /conduct etc.

### **Policy**

The Vigil Mechanism / Whistle Blower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors 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 for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The policy neither releases employees from their duty of confidentiality in the course of their work



nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general

## **Scope of the Policy**

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, demanding and /or accepting gratification, obtaining a valuable thing without or inadequate consideration from a person with whom he have or may have official dealings, obtaining for self or any other person pecuniary benefits by corrupt or illegal means or abusing his position and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

The employees of the Company are eligible to make Protected Disclosures under the Policy. An employee can avail of the channel provided by this Policy for raising an issue covered under this Policy. The Policy generally 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 preparations of Financial Statements or Misrepresentation of financial reports
- Any unlawful act whether Criminal/ Civil
- Pilferage of confidential/propriety information
- Deliberate violation of law/regulation
- Wastage/misappropriation of Company's funds/assets
- Breach of Company Policy or improper practice of the Company's policies or procedures, failure to implement or comply with any approved Company Policy
- Willful negligence of assigned duties that could result in damage/loss to the Company

## **Definitions**

***"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 and safety or abuse of authority".

***"Audit Committee"*** means a Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and the Clause 49 of the Listing Agreement.

***"Board"*** means the Board of Directors of the Company.

***"Chief Executive Officer"*** means the Managing Director of the Company.

***"Company"*** means the Sarda Plywood Industries Limited

***"Code"*** means Code of Conduct for Directors and Senior Management Executives of Sarda Plywood Industries Limited

***"Disciplinary Action"*** means any action that can be taken on the completion of/during the investigation proceedings including but not limiting 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 all the present employees and whole time Directors of Sarda Plywood Industries Limited

**“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 a 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.

**“Investigators”** means that person authorized, appointed, consulted or approached by the Vigilance Officer and includes the auditors of the Company and the police.

**“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative or in the nature of an interpretation/conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

**“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

**“Vigilance and Ethics Officer”** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

**“Whistle Blower”** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

## **Eligibility**

All employees and the Directors of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## **Disqualifications**

- While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 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 a *mala fide* intent.

## **Guiding Principles**

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- Ensure that the Whistleblower and/or the person processing the Protected Disclosure is not victimized for doing so
- Treat victimization as a serious matter, including initiating disciplinary action, if required, on such person/(s)
- Ensure complete confidentiality

- Not attempt to conceal evidence of the Protected Disclosure
- Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
- Provide an opportunity of being heard to the persons involved especially to the Subject
- Disclosure in writing to be sent/ handed over in a sealed cover to the Chairman of the Audit Committee

### **Anonymous Allegations**

Whistleblowers must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.

### **Receipt & Disposal of Protected Disclosures**

- All Protected Disclosures should be reported in writing 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 and should either be typed or written in a legible handwriting in English.
- The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower policy**”. Alternatively, the same can also be sent through email with the subject “**Protected disclosure under the Whistle Blower policy**”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.
- In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are further advised not to write their name / address on the envelope and not to enter into any further correspondence with the Vigilance and Ethics Officer.
- The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.
- The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance and Ethics Officer, Chairman of the Audit Committee and the CFO of the Company are as under:-

### ***Name and Address of Vigilance and Ethics Officer***

Shri Ravi Kumar Murarka  
Company Secretary  
Sarda Plywood Industries Limited  
Regd. Office: 9 Parsee Church Street  
Kolkata – 700 001, West Bengal  
Corp. Office: 113, Park Street, 4<sup>th</sup> Floor, North Block,  
Kolkata – 700 016, West Bengal  
Email- [rmurarka@sardaplywood.com](mailto:rmurarka@sardaplywood.com)

Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Chairman of the Audit Committee/ CFO of the company. The contact details of the Chairman of the Audit Committee and CFO are as under:

### ***Name and Address of Chairman of the Audit Committee***

Shri Sujit Chakravorti  
Chairman of Audit Committee  
Sarda Plywood Industries Limited  
Regd. Office: 9 Parsee Church Street  
Kolkata – 700 001, West Bengal  
Corp. Office: 113, Park Street, 4<sup>th</sup> Floor, North Block,  
Kolkata – 700 016, West Bengal  
[Email-corp@sardaplywood.com](mailto:Email-corp@sardaplywood.com)

### ***Name & Address of the Chief Financial Officer***

Smt. Jaya Sengupta  
Chief Financial Officer  
Sarda Plywood Industries Limited  
Regd. Office: 9 Parsee Church Street  
Kolkata – 700 001, West Bengal  
Corp. Office: 113, Park Street, 4<sup>th</sup> Floor, North Block,  
Kolkata – 700 016, West Bengal  
[Email-jaya.sengupta@sardaplywood.com](mailto:Email-jaya.sengupta@sardaplywood.com)

### **Investigation**

- All protected disclosures under this policy will be recorded and thoroughly investigated by the Vigilance and Ethics Officer/ Chairman of the Audit Committee.
- The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- The decision to conduct an investigation 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 conclusion of the Whistleblower that an improper or unethical act was committed.
- The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 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.
- Subject(s) shall have a duty to co-operate with the Vigilance and Ethics Officer and the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subject(s) shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- 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).
- 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.
- Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject(s) should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- 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.

## **Protection**

- No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.
- A Whistleblower may report any violation of the above clause to the Vigilance and Ethics Officer / Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Vigilance and Ethics Officer / Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).
- Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

## **Investigators**

- Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Vigilance and Ethics Officer / Chairman of the Audit Committee when acting within the course and scope of their investigation.
- Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- Investigations will be launched only after a preliminary review which establishes that:
  - a. the alleged act constitutes an improper or unethical activity or conduct, and
  - b. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

## **Decision**

If an investigation leads the Vigilance and Ethics Officer/Chairman of the Audit Committee/CFO to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer/Chairman of the Audit Committee/CFO shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.



## **Reporting**

- The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 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.
- A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Chairman of the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## **Retention of Documents**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

## **Secrecy / Confidentiality**

The Complainant, Vigilance and Ethics Officer, Chairman and the members of the Audit Committee, CFO the Subject and everybody involved in the process shall:

- Maintain confidentiality of all matters under this Policy
- Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- Not keep the papers unattended anywhere at any time
- Keep the electronic mails / files under password.

Protected Disclosures and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time

## **Protection to Whistle Blower**

If an employee raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. He/she will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy.

## **Accountabilities - Whistle Blowers**

- Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company
- Avoid anonymity when raising a concern
- Follow the procedures prescribed in this policy for making a Disclosure
- Co-operate with investigating authorities, maintaining full confidentiality
- The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty disclosures
- A whistleblower has the right to protection from retaliation
- Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved



in the alleged malpractice/violation. It may forewarn the Subject in case any important evidence is likely to be destroyed

### **Accountabilities – Vigilance Officer And Investigators**

- Conduct the enquiry in a fair, unbiased manner
- Ensure complete fact-finding
- Maintain strict confidentiality
- Decide on the outcome of the investigation
- Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures.
- Minute Investigators’ deliberations and document the final report.

### **Rights of a Subject**

- Subject(s) have a right to be heard and the Whistleblower Officer must give adequate time and opportunity for the subject to communicate his/her say on the matter
- Subject(s) have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process
- Subject(s) have a right to consult with a person or persons of their choice, other than the Investigators and/or the Whistle Blower.
- Subject(s) shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs

### **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.

### **Communication**

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

### **Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to the Employees and Directors in writing.

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