

SURAJ PRODUCTS LIMITED

CIN-L26942OR1991PLC002865

WHISTLE BLOWER MECHANISM

SURAJ PRODUCTS LIMITED

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WHISTLE BLOWER MECHANISM

On the recommendation of Audit Committee, approved by the Board of Directors at its meeting held on August 08, 2015

1. PURPOSE:

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 is committed to developing a culture where it is safe for all Stakeholders including Employees and Directors to raise concerns about any poor, illegal, unethical or unacceptable practice and any event of misconduct.

Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter-alia, provides, for all listed companies to establish a Vigil mechanism called Whistle Blower Mechanism for Stakeholders including Directors and Employees.

The purpose of this Mechanism is to provide a framework to promote responsible and secure whistle Blowing. It protects Stakeholders/Directors/Employees wishing to raise a concern about serious irregularities within the Company.

The Mechanism 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.

2. DEFINITIONS:

“Audit Committee” means the Audit Committee of the Company as per Section 177 of the Companies Act 2013 read with Clause 49 of the Listing Agreement.

“Code” means the Code of Conduct for Board of Directors and Senior Management.

“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 every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.

“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.

“Stakeholders” means Shareholders of the Company.

“Whistle Blower” is a Stakeholder/Director/Employee who makes a Protected Disclosure under this Policy.

“Whistle Blower Committee” means a Committee responsible for ensuring enquiry/investigation under this policy. The Audit Committee shall constitute such Committee comprising of such members as it may deem fit.

3. REPORTABLE MATTERS:

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority.
2. Breach of contract.
3. Negligence causing substantial and specific danger to public health and safety.
4. Manipulation of Company data/records.
5. Financial irregularities, including fraud, or suspected fraud, bribery.
6. Pilferation of confidential/propriety information.
7. Deliberate violation of Law/regulation and illegality.
8. Wastage/misappropriation of Company funds/assets.
9. Breach of Code of Conduct or Rules.
10. Any other unethical, biased, favoured, imprudent event.
11. Health & Safety, environmental issues.
12. Any offence of material nature.

4. FALSE COMPLAINTS:

While this Policy is intended to protect genuine Whistle blowers from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with mala-fide intentions is strictly prohibited.

A person who makes complaints with mala-fide intentions and which are subsequently found to be false will be subject to strict disciplinary action.

5. MANNER IN WHICH CONCERN CAN BE RAISED:

Stakeholders/Employees can make Protected Disclosure to the Chairman of the Whistle Blower Committee, as soon as possible but not later than 30 consecutive days after becoming aware of the same, who shall refer the same to Whistle Blower Committee of the Company.

However, in case the whistle blower is a Director of the Company, he/she shall directly refer the matter to the Chairman of the Audit Committee.

Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.

To the extent possible, the Complaint or Protected Disclosure must include the following:

1. The name/details of Stakeholder, Employee, and /or outside party or parties involved;
2. The sector of the Company where it happened;
3. When did it happen: a date or a period of time;

4. Type of concern (what happened); a) Financial reporting; b) Legal matter; c) Management action; d) Employee misconduct; and/or e) Health & safety and environmental issues etc.
5. Submit proof of identity where proof can be found, if possible;
6. Who to contact for more information, if possible; and/or
7. Prior efforts to address the problem, if any.

6. ENQUIRY MECHANISM:

If initial enquiries by the Whistle Blower Committee indicate that the concern has no basis, or it is not a matter to be investigated/pursued under this Policy, it may be dismissed at this stage and the decision has to be documented.

Where initial enquiries indicate that further investigation is necessary, this would be carried out by the Whistle Blower Committee. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt.

The Whistle Blower Committee shall:

- i) Make a detailed written record of the Protected Disclosure. The record will include:
 - a) Facts of the matter;
 - b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - c) Whether any Protected Disclosure was raised previously against the same Subject;
 - d) The financial/ otherwise loss which has been incurred / would have been incurred;
 - e) Findings of Whistle Blower Committee;
- ii) The Whistle Blower Committee may depute the Internal Audit team or a team of such persons (whether from within the organization or hire persons from outside) to investigate into any matter within the scope defined by the Committee.
- iii) The Whistle Blower Committee shall finalize the report within 90 days of receiving the complaint.
- iv) In case the Protected Disclosure is proved, take such Disciplinary Action as it may think fit and take preventive measures to avoid reoccurrence of the matter;
- v) In case of matters of high concern, the Whistle Blower Committee may refer the matter to Audit Committee for taking such disciplinary/other actions as it may deem fit.
- vi) In case the Protected Disclosure is not proved, extinguish the matter;

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, she/he can make a direct appeal to the Chairman of the Audit Committee.

7. SECRECY & CONFIDENTIALITY:

The Whistle Blower, Whistle Blower Committee and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
- b. not discuss the matter in any informal/social gatherings/ meetings
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d. not keep the papers unattended anywhere at any time
- e. keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

8. NON-RETALIATION/PROTECTION:

No unfair treatment will be meted out to a Whistle Blower 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 Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior 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 including making further Protected Disclosure. The Company will take steps to minimize difficulties, 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.

The identity of the Whistle Blower shall be kept confidential. Any other person assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

9. DOCUMENT RETENTION:

The Company shall maintain documentation of all complaints or reports subject to this Policy. The documentation shall include any written submissions provided by the complainant, any other Company documents identified in the complaint or by the Company as relevant to the complaint, a summary of the date and manner in which the complaint was received by the Company and any response by the Company to the complainant. All such documentation shall be retained by the Company for a minimum of six (6) years from the date of receipt of the complaint.

10. DISPLAY:

The Whistle Blower Policy shall be uploaded on the Company's website along with the constitution of the Whistle Blower Committee.

11. REPORTING:

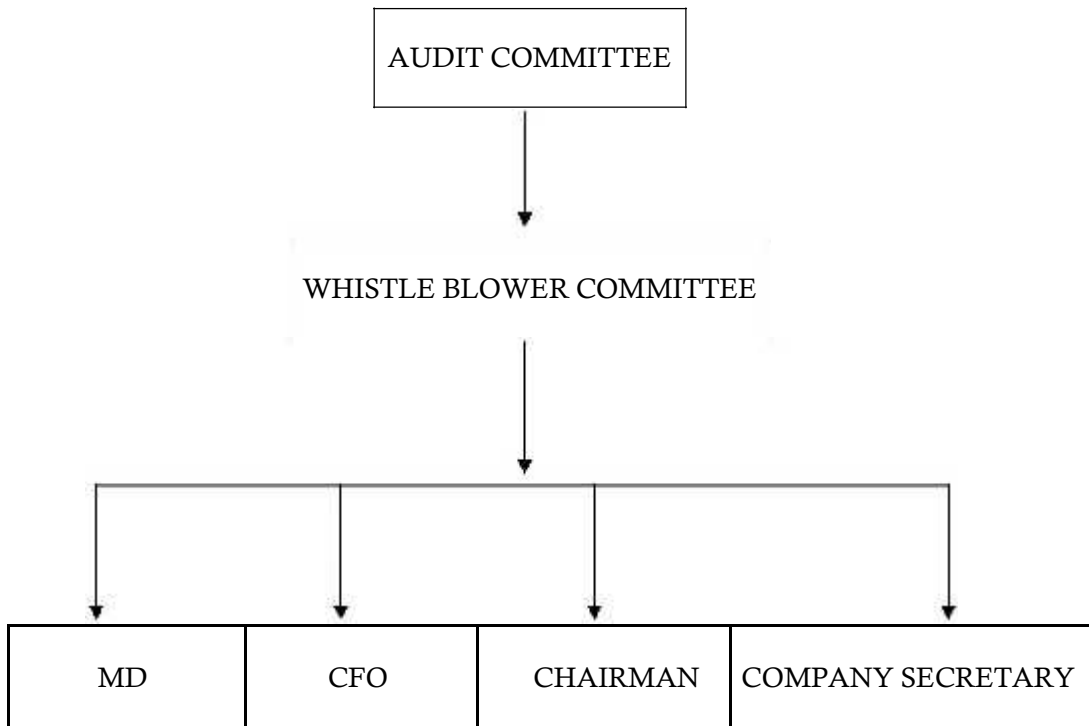
A quarterly report with number of complaints received under the Policy and their outcome duly signed by Chairman of Whistle Blower Committee shall be placed before the Audit Committee and the Board.

12. AMENDMENT/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.

Any amendment in the Companies Act, 2013, rules and regulations and the Listing Agreement shall automatically have the effect of amending this Policy to that extend without the need of any approval by the Audit Committee and the Board of Directors. However, any such amendment shall be annexed to this Policy and put on the website of the Company for ready reference of all concerned persons and placed before the Audit Committee and the Board of Directors in the next meeting.

AUTHORITY FLOW CHART



Note: 1. The Audit Committee has nominated the CFO to be the Chairman of the Whistle Blower Committee.

Note: 2. If any member of Whistle Blower Committee is named in the Complaint, he/she shall not participate in the discussion/vote on the matter and the final outcome in such case shall be subject to prior approval of Audit Committee.
