

# **WHISTLE BLOWER POLICY**

**Shree Digvijay Cement Company Limited**



## 1. Preface

- a) Shree Digvijay Cement Co. Ltd. (“**SDCCL**”) a Votorantim Group Company, believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this objective, SDCCL has adopted SDCCL Code of Conduct (“**SDCCL Code**”) which lays down the principles and standards which would govern the actions of SDCCL **and** its employees.

SDCCL Code is governed by the Listing Agreement and is as per the standards, policies, and procedures as laid down in the Votorantim Group Code of Conduct (“**Group Code**”), which is circulated to all employees of SDCCL.

The SDCCL Code and Group Code shall together herein be referred to as “**the Code**”. Any actual or potential violation of the Code, howsoever significant or perceived as such, would be a matter of serious concern for SDCCL.

The roll of employees in pointing out such violation of the Code cannot be undermined. The employees reporting any breach/misconduct shall be suitably protected and no unjust action will be taken against any such employee.

- b) Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and amended clause 49 of Listing Agreement mandates that every listed Company shall ensure the institution of a mechanism for Stakeholders including Employees & Directors to report concerns about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

Consequent to statutory mandate, SDCCL is required to formulate a Whistle Blower Policy (the “**Policy**”) as an extension of the SDDCL Code through which the Company seeks to provide a mechanism for the Stakeholders including its Employees & Directors to disclose their concerns and grievances on unethical behavior, improper / illegal practices, wrongful conduct taking place in the Company and actual or suspected fraud or violation of the Code, for appropriate action.

Through this Policy, the Company provides adequate safeguards to all Whistle Blowers for making Protected Disclosures in Good Faith and any Stakeholder assisting the investigation and also provides for direct access to the Chairman of the Audit Committee.

## 2. Definitions

The definitions of some of the major terms used in this policy are given below.

- a) “**Audit Committee**” means the Audit Committee of SDCCL constituted by the Board of Directors in accordance with Section 177 of the Companies Act, 2013 and read with clause 49 of the Listing Agreement with the stock exchange on which securities of the Company are listed.
- b) “**Company**”/“**SDCCL**” means Shree Digvijay Cement Company Limited.
- c) “**Conduct Committee**” shall mean the Conduct Committee of SDCCL unit in India, as constituted under Group Code, consisting of the Managing Director / CEO / Whole-time Director of the Company, the Corporate HR Head and the Corporate Legal Head at Madrid.
- d) “**Corporate Conduct Committee**” shall mean the Committee as defined as such in the Group Code.
- e) “**Employee**” means every employee of SDCCL, whether working in India or abroad, including the directors in employment of SDCCL.
- f) “**Investigators**” means the Corporate Auditing or Ethics Line and includes auditors of SDCCL or any other authorities or department(s) or person(s) authorised, appointed, consulted or approached by the Conduct Committee.
- g) “**Protected Disclosure**” means any communication made in good faith that discloses or demonstrates information which may evidence alleged ‘wrongful conduct or act’ as defined herein.
- h) “**Stakeholder**” means any person including Employees and Directors with an interest or concern in the business of the Company and their representative bodies.
- i) “**Subject**” means a person or a group of persons against or in relation to whom a protected disclosure has been made or evidence gathered during the course of an investigation under this Policy.
- j) “**Whistle Blower**” means a Stakeholder including an Employee or a Director making a protected disclosure under this Policy.

- k) **“Wrongful conduct or act”** means the unlawful or unethical or improper practice / act / activity / conduct, and may include, but is not limited to, any of the following:
- noncompliance such as corruption, bribery, fraud, aggression to the environment, false information, inappropriate accounting registries, misuse of Company’s or Group assets, unethical behavior or procedures, and discrimination against race, color, religion, gender, and physical or social condition;
  - violation of the Code or Ethics Policy or non-compliance with Group standards and rules;
  - actual or suspected fraud;
  - violation of any applicable law;
  - an abuse of authority.

The terms which have not been defined in the Policy shall have the same meaning assigned to them in the Companies Act, 2013, Securities Exchange Board of India Act, 1992 (including any statutory modifications or re-enactment thereof) and the Rules / Regulations framed there under.

### **3. Role and scope of Whistle Blower**

- a. 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 finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Conduct Committee or the Investigators.
- c. Protected Disclosures as reported under this Policy will be appropriately dealt with by the Conduct Committee or the Investigators.
- d. The Policy shall not be used in place of the Company’s grievance procedures or be a route for raising malicious or unfounded allegations against any Stakeholder of the Company.

### **4. Eligibility**

All Stakeholders including Employees & Directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosure may be in relation to matters concerning the Company at the Head/ Corporate/ Registered Office, Units, Depots and all other places of business.

## 5. Procedure

- a. All Protected Disclosures concerning any alleged wrongful conduct or act should be addressed/ reported to the Conduct Committee through the Ombudsman channels as defined in the Group Code or as may be applicable for SDCCL, for investigation. The Conduct Committee with the help of Investigators, where necessary, shall appropriately, thoroughly and expeditiously conduct the investigation of such Protected Disclosure and determine appropriate action based on findings.
- b. Where a Protected Disclosure relates to any wrongful conduct or act which involve its management, or any issue which surpasses SDCCL's responsibility or has some impact on the other areas of the Group, such Protected Disclosure may be made by any Stakeholder directly to the Corporate Conduct Committee, also via the Ombudsman. The Corporate Conduct Committee shall appropriately and expeditiously investigate the Protected Disclosure including where necessary with the help of Investigators and determine appropriate action based on findings.
- c. If any of the members of the Conduct Committee have a conflict of interest in a given case, they shall recuse themselves and the others in the Committee would deal with the matter on hand.
- d. In order to facilitate the Conduct Committee for speedy Investigations under this Policy, the Conduct Committee may ask for disclosure of identity of Whistle Blower while making such Protected Disclosures. In such circumstances, no cognizance will be taken of any Protected Disclosure made anonymously and/or without proper signature, wherever applicable.
- e. Protected Disclosure can be made through the Ombudsman channel as defined in Group Code and should be factual rather than speculative and must contain to the maximum extent possible, the following information:
  - (i) The name of Director or Employee, and/or other Stakeholder involved;
  - (ii) The office/unit of the Company where it happened;
  - (iii) Date or a period of time of happening of such event;
  - (iv) Nature of concern or malpractices;
  - (v) Any documentary evidence or proof, if available;
  - (vi) Whom to contact for more information, if possible;
  - (vii) Any other information relevant to the matter or any of above.

## **6. Investigation**

- a. All Protected Disclosures reported and received under this Policy will be thoroughly investigated as per the Group Code. The investigation shall be conducted in a fair manner.
- b. The Conduct Committee may at his discretion, consider involving any Investigators for the purpose of investigation under the Policy.
- c. Subjects will normally be informed of the allegations at the outset of a formal investigation, unless such communication is detrimental to the investigation proceedings and have opportunities for providing their inputs during the investigation.
- d. Subjects shall have a duty to co-operate with the Conduct Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under applicable laws.
- e. Subjects have a right to consult with a person or persons of their choice, other than Investigators and/or members of the Conduct Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- f. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- g. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report.  
No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- h. After completion of investigation, a written report of the findings shall be prepared and the Whistle Blower & Subjects have a right to be informed of the outcome of the investigation.
- i. The investigation shall be completed normally within 60days of the receipt of the Protected Disclosure or within such extended period as may be defined in the Code.
- j. In the course of investigation proceedings, the Subject is not allowed to leave the Company without specific written approval of the Chairman of the Conduct Committee. In case of Whistle Blowers, they shall be allowed to leave the Company with a specific written undertaking that they shall continue to extend necessary cooperation for conduct of investigation till required under

intimation to the concerned Director.

## **7. Protection**

- a. 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 Blowers.

Complete protection will, therefore, be given to the 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'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.

- b. 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 intention.
- c. Where any Protected Disclosure made by Whistle Blower has been subsequently found to be mala fide or malicious or frivolous or baseless or reported otherwise than in good faith, suitable actions may be taken against the concerned Whistle Blower as per the Code and applicable law.
- d. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- e. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- f. This Policy may not be used as a defense by the Whistle Blower against whom an adverse personnel action has been taken.

## **8. Decision**

If an investigation of any Protected Disclosure leads the Chairman of the Conduct Committee to conclude that a 'wrongful conduct or act' has been



committed, then the Chairman of the Conduct Committee in consultation with the CEO and/or Chairman of the Audit Committee, shall recommend or instruct the management of the Company to take such disciplinary or corrective action as defined in Group Code.

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 or disciplinary procedures and applicable laws.

## **9. Reporting & Notification**

- a. The Company shall oversee the Whistle Blower mechanism through the Audit Committee and if any of the members of the Audit Committee have a conflict of interest in a given case, they would recuse themselves and the others in the Committee would deal with the matter on hand.

The Conduct Committee shall submit a report to the Chairman of the Audit Committee on a quarterly basis about all Protected Disclosures referred to him/her since the last report together with the results/ outcome of investigations, if any and their status.

- b. The Audit Committee shall review the functioning of this Mechanism periodically.
- c. It is the responsibility of every Department Head to submit a certificate to Board of Directors that this Policy has been notified to each Employee of his/her department and the same has been acknowledged by each such Department Head and Employee.

The new Employees shall be informed about the existence and content of this policy by the HR department.

## **10. Retention of documents**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company in accordance with the Company's retention policy and applicable law.

## **11. Amendment**

The Board of Directors of the Company reserves its right to amend or modify this Policy in whole or in part, from time to time in line with the applicable law and Group Code.

May 13th, 2015