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Vigil Mechanism/Whistle Blower Policy

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Vigil Mechanism/ Whistle Blower Policy

1. Introduction

1.1. Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

1.2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI LODR Regulations 2015”) provides for all listed companies to formulate a Vigil Mechanism for Directors and Employees to report genuine concerns. The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

1.3. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, including any amendments thereto (the “SEBI PIT Regulations”) provides for all listed companies to formulate a Whistle Blower Policy and make employees aware of such policy to enable employees to report instances of leak of Unpublished Price Sensitive Information (UPSI). The Company has adopted a Code of fair disclosure and conduct (“Insider Trading Code”) as required under SEBI (PIT) Regulations, which lays down the practices and procedures that should govern the fair disclosure of UPSI by the Company and regulate and monitor the conduct of designated persons while dealing in the securities of the Company. Any actual or potential violation of the Insider Trading Code, would be a matter of serious concern for the Company. The vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

1.4. Under these circumstances, Bajaj Hindusthan Sugar Limited (“BHSL”), being a Listed Company established a Vigil Mechanism Policy.

2. Definitions

- “(i) **“Act”** shall mean the Companies Act, 2013 and the rules made thereunder, as amended.
- “(ii) **“Alleged wrongful conduct”** shall include violation of law, infringement of the Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.

- (iii) **“Audit Committee”** shall mean a committee constituted by the Board in accordance with provisions of the Act and the Listing Regulations.
- (iv) **“Board”** shall mean the board of directors of the Company.
- (v) **“Employee”** shall mean all the present employees and whole time directors of the Company (whether working in India or abroad).
- (vi) **“Insider Trading Code”** means Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Code of Practices and Procedures for fair disclosure of unpublished price sensitive information adopted by the Company.
- (vii) **“Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (viii) **“Policy”** shall mean this whistle blower policy.
- (ix) **“Protected Disclosure”** shall mean a concern raised by an Employee or a 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 with respect to the Company. It should be factual and not speculative or in the nature of an interpretation or conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- (xi) **“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.
- (xii) **“Unpublished Price Sensitive Information”** shall mean any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposal and expansion of business and such other transactions;
 - (v) changes in key managerial personnel; and
- (xiii) **“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.
- (xiv) **“Whistle Blower”** is an Employee or a group of Employees who make a Protected Disclosure under this Policy and may also be referred to as a Complainant.

3. Eligibility, Scope and Purpose

- (i) All directors and Employees of the Company are eligible to make Protected Disclosures under this Policy in relation to matters concerning the Company.
- (ii) This Policy covers malpractices and events which have taken place or are 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, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning the employees of the Company.
- (iii) The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. Accordingly, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. Vigil mechanism provides a channel to the employees and the directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Code or any policy framed by the Board. This mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the chairperson of the Audit Committee in exceptional cases.
- (iv) This 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.

4. Receipt and disposal of protected disclosures

- (i). All Protected Disclosures should be reported in writing by the Whistle Blower 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.
- (ii). The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Vigil Mechanism/Whistle Blower policy**”. Alternatively, the same can also be sent through email with the subject “**Protected disclosure under the Vigil Mechanism/Whistle Blower policy**”. If the Whistle Blower is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the Whistle Blower and the Protected Disclosure will be dealt with, as if it were a normal disclosure. In order to protect the identity of the Whistle Blower, the Vigilance and Ethics Officer will not issue any acknowledgement to the Whistle Blower and they are advised neither to write their name / address on the envelope nor 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 Whistle Blower.

- (iii). Any disclosures that are submitted anonymously or under a pseudonym shall not be entertained by the Vigilance and Ethics Officer.
- (iv). The Protected Disclosure should be forwarded under a covering letter signed by the Whistle Blower. The Vigilance and Ethics Officer or the chairperson of the Audit Committee or the chairperson of the Company, as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- (v). All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the chairperson of the Audit Committee or the chairperson of the Company in exceptional cases.

The contact details of the Vigilance and Ethics Officer are as under:

Mr. Alok Kumar Vaish, Chief Financial Officer
TC-13, Vibhuti Khand,
Gomti Nagar,
Lucknow – 226010
Email- avaish@bajajhindusthan.com

- (vi). The Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the chairperson of the Company and the Protected Disclosure against the chairperson of the Company should be addressed to the chairperson of the Audit Committee.

The contact details of the chairperson of the Company are as under:

Mr. Kushagra Bajaj, Chairman
Bajaj Bhawan, 2nd Floor,
Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai 400026
Email- pramodpg@bajajhindusthan.com

The contact details of the chairperson of the Audit Committee are as under:

Mr. Dinesh Kumar Shukla, Chairman – Audit Committee
Bajaj Bhawan, 2nd Floor,
Jamnalal Bajaj Marg,
226, Nariman Point,
Mumbai 400026
Email - shukladineshkumar@gmail.com

- (vii). On receipt of the Protected Disclosure, the Vigilance and Ethics Officer, or the chairperson of the Company or the chairperson of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the Whistle Blower whether he was the person who made the Protected Disclosure or not. He shall also carry out initial

investigation either himself or by involving any other officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- (a). Brief facts;
 - (b). Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - (c). Whether the same Protected Disclosure was raised previously on the same subject;
 - (d). Details of actions taken by Vigilance and Ethics Officer / Chairman/ for processing the complaint
 - (e). Findings of the Audit Committee
 - (f). The recommendations of the Audit Committee/ other action(s).
- (viii). The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

5. Investigation

- (i). All Protected Disclosures under this Policy will be recorded and thoroughly investigated. 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.
- (ii). The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- (iii). Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and will be provided opportunities for providing their inputs during the investigation.
- (iv). 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.
- (v). Subject(s) shall have a duty to co-operate with the Audit Committee or any other officer appointed by it in this regard.
- (vi). Subject(s) have a responsibility to not 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 Subject(s).
- (vii). Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is evidence in support of the allegation.
- (viii). Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

- (ix). 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.

6. Decision and Reporting

- (i). If an investigation leads the Vigilance and Ethics Officer, or the chairperson of the Audit Committee, as the case may be, to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer, or the chairperson of the Audit Committee, as the case may be, 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.
- (ii). The Vigilance and Ethics Officer shall submit a report to the chairperson 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.
- (iii). In case the Subject is the chairperson of the Company, the chairperson of the Audit Committee after examining the Protected Disclosure shall forward the Protected Disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- (iv). A Whistle Blower who makes false allegations of unethical and improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.
- (v). If the report of investigation is not to the satisfaction of the Whistle Blower, the Whistle Blower has the right to report the event to the appropriate legal or investigating agency.

7. Secrecy/Confidentiality

The Whistle Blower, the Vigilance and Ethics Officer, the members of the Audit Committee, the Subject and everybody involved in the process shall:

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

8. Protection

- (i). 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 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, if required.
- (ii). The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. 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.
- (iii). A Whistle Blower may report any violation of the above clause to the chairperson of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- (iv). The identity of the Whistle Blower shall be kept confidential to the extent possible and in accordance with applicable law. The identity of the Whistle Blower will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the Whistle Blower is disclosed, the Audit Committee is authorized to initiate appropriate action as per applicable law against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this Policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- (v). Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower. Provided however that the Whistle Blower, before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the Whistle Blower shall be subject to disciplinary action as per the rules, procedures and policies adopted by the Company. This Policy does not protect an Employee from an adverse action taken independent of his disclosure, of unethical and improper practice etc. unrelated to a disclosure made pursuant to this Policy.

9. Dissemination of this Policy

This Policy shall be published on the website of the Company and shall form part of the Board's report. Employees shall be informed of this Policy by publishing it on the notice board.

A Whistle Blower policy cannot be effective unless it is properly communicated to employees.

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 for eight years or such other period as specified by any law in force, whichever is more.

11. Policy Review and Amendments

The Board and/or its committees reserve the power to review and amend this Policy from time to time. All provisions of this Policy would be subject to revision / amendment in accordance with the applicable law issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.
