Vigil Mechanism / Whistle Blower Policy

I. Preamble:

Sona Biscuits Limited ("the Company") believes that every employee and Director acts as a trustee of the Company's stakeholders and must uphold the highest standards of integrity, transparency, and ethical conduct.

In accordance with Section 177 of the Companies Act, 2013, the Company has established this Vigil Mechanism (Whistle Blower Policy) to provide a secure and transparent framework for its Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violations of the Company's Code of Conduct or policies.

This Policy reinforces the Company's commitment to ethical business conduct and ensures protection to individuals who raise genuine concerns in good faith.

II. Policy Objectives:

A Whistle Blower (Vigil) mechanism provides a secure and confidential channel for employees, Directors, and other stakeholders to report genuine concerns regarding unethical behaviour, actual or suspected fraud, or any violation of the Company's Code of Conduct or policies.

The mechanism ensures adequate safeguards against any form of victimization of individuals who raise concerns in good faith. It also provides direct access to the Vigilance Officer or the Audit Committee, and in exceptional cases, to enable fair and independent investigation and appropriate action.

The Company is committed to conducting its business with highest standards of integrity, ethical behaviour, and legal compliance. In line with this commitment, employees are encouraged to voice their concerns responsibly and without fear of retaliation or unfair treatment.

This Policy, however, does not absolve employees of their duty of confidentiality in the course of their work, nor should it be misused to make frivolous, malicious, or unfounded allegations against colleagues or management.

The objective of this Policy is to:

1. Encourage employees and Directors to promptly report genuine concerns relating to unethical behaviour, malpractices, or violations of the Company's Code of Conduct or applicable laws.
2. Provide a fair and transparent investigation mechanism to deal with such concerns.
3. Ensure that no individual who raises a concern in good faith is subjected to victimisation, discrimination, or unfair treatment.

Strengthen the Company's culture of integrity and accountability.

III. Scope of the Policy:

This Policy is an extension of Company's Code of Conduct and is intended to cover genuine concerns raised by employees or other stakeholders regarding actual or suspected malpractices that may adversely affect the interests or reputation of the Company. It encompasses instances of misuse or abuse of authority, fraud or suspected fraud, financial irregularities, violation of Company rules or policies, manipulation of records or data, negligence causing risk to health, safety of the environment, misappropriation of assets or funds, bribery or corruption, and any other unethical, illegal , or improper conduct.

The Policy aims to ensure that concerns are raised responsibly and addressed in a fair, transparent, and confidential manner, and that any matter affecting the Company's interests is formally reported by whistleblowers in relation to its employees.

IV. Definitions:

1. "Alleged wrongful conduct" shall mean unethical or improper activity including violation of law, Company rules, or Code of Conduct, misappropriation of funds or abuse of authority,
2. "Disciplinary Action" means any action that may be taken on completion of investigation proceedings, including warning, suspension, termination, or such other action as deemed appropriate.
3. "Employee" means every employee of the Company, including its Directors.
4. "Protected Disclosure" means any written communication made in good faith that discloses or demonstrates information about unethical or improper activity with respect to the Company.
5. "Subject" means the person or group of persons against or in relation to whom a Protected Disclosure has been made.
6. "Whistle Blower" is an employee or Director who makes Protected Disclosure under this Policy.

V. Coverage of the Policy:

The policy encourages all Whistle Blowers to report any genuine concern relating to actual or suspected unethical or improper practices. Such concerns may include, but are not limited to abuse of authority, breach of trust or confidentiality, unlawful acts whether criminal (such as theft) or civil (such as defamation), manipulation or falsification of Company data or records, breach of any policy, manual, or Code of Conduct adopted by the Company, financial irregularities including fraud or suspected fraud, deliberate violation of laws or regulations, misappropriation or unauthorised use of Company assets or funds, and any other act or omission that is unethical, dishonest, or detrimental to the interests of the Company.

VI. Procedures for Whistle Blowing:

All Protected Disclosures should be made in writing by the Whistle Blower at the earliest possible opportunity after becoming aware of the concern. The disclosure may be either typed or written in legible handwriting in English.

Protected Disclosures from employees up to the level of Assistant Sales Manager and from Head Office employees shall be addressed to the Vigilance Officer of the Company. Disclosures from employees at the level of Assistant Manager and above, as well as from Directors or other stakeholders, shall be addressed to the Chairperson of the Audit Committee.

The contact details of the Vigilance Officer and Chairperson of the Audit Committee shall be displayed at all office locations and made available on the Company's internal communication channels.

Protected Disclosures should be submitted in a sealed envelope superscribed as "Protected Disclosure under the Vigil Mechanism Policy" and addressed to the appropriate authority, or may alternatively be sent through email to the designated official email address. Complaints that are not properly superscribed or sealed may not qualify for protection under this Policy.

To preserve confidentiality, no acknowledgement of receipt shall be issued. Whistle Blowers are advised not to disclose their name or contact details on the envelope. The Vigilance Officer or Chairperson may, if necessary, reach out for additional clarification through secure means while ensuring anonymity is maintained.

Anonymous complaints are not encouraged. However, such complaints may be entertained if the complaint sets out specific allegations and verifiable facts and is accompanied with supporting evidence.

Each Protected Disclosure should be accompanied by a covering letter signed by the Whistle Blower. The Vigilance Officer or Chairperson, as the case may be, shall separate the covering letter (bearing the Whistle Blower's identity) from the main disclosure before initiating the investigation process to ensure confidentiality.

Upon receipt, the Vigilance Officer or Chairperson shall record the Protected Disclosure and confirm with the Whistle Blower, where applicable, that the concern has been duly raised. The matter shall then be referred to the Audit Committee for examination, investigation, and appropriate action. The Audit Committee may, if deemed necessary, seek further details or supporting information from the complainant to facilitate a thorough investigation.

VII. Escalation / Reporting Line:

In the normal course, Protected Disclosures by employees up to the level of Assistant Sales Manager and from Head Office employees shall be addressed to the Vigilance Officer, whereas disclosures from employees at the level of Assistant Manager and above, as well as from Directors or other stakeholders, shall be addressed to the Chairperson of the Audit Committee.

If a Whistle Blower is not satisfied with the action taken or the resolution provided by the Vigilance Officer, the matter may be escalated to the Audit Committee. In exceptional cases, or where the concern involves the Vigilance Officer or members of the Audit Committee, the Whistle Blower may escalate the matter directly to the Chairperson of the Board or an appropriate external legal or regulatory authority in accordance with applicable law.

At each stage of escalation, the authority receiving the disclosure shall ensure strict confidentiality and take all reasonable steps to protect the Whistle Blower from any form of retaliation, harassment, or unfair treatment. Every escalation shall be formally documented to maintain a clear record of the process.

VIII. Investigation:

All Protected Disclosures under this Policy shall be recorded and thoroughly investigated by the Vigilance Officer, who shall either conduct the investigation personally or oversee it to ensure fairness and objectivity. The Audit Committee may also undertake the investigation directly and, at its discretion, may involve any other officer or external expert of the Company as deemed appropriate.

The decision to initiate an investigation into a Protected Disclosure shall not, by itself, be construed as an acceptance of the allegations. It is to be treated purely as a neutral fact-finding process.

The concerned individual(s) against whom an allegation has been made (hereinafter referred to as the Subject) shall normally be informed in writing of the allegations at the outset of a formal investigation and shall be given adequate opportunity to present their views and provide relevant information or evidence during the investigation.

The Subject shall have a duty to fully cooperate with the Vigilance Officer, Audit Committee, or any person authorised to conduct the investigation, provided such cooperation does not compromise the protections against self-incrimination available under applicable law.

The Subject shall not interfere in the investigation process in any manner. No evidence shall be withheld, destroyed, or tampered with, nor shall any witness be influenced, coerced, threatened, or intimidated by the Subject or anyone acting on their behalf.

The Subject shall have the right to access documents or information necessary for a legitimate opportunity to clarify or defend themselves during the investigation proceedings. Unless compelling reasons exist to the contrary, the Subject shall be provided a reasonable opportunity of being heard and to respond to any material findings contained in the investigation report. No allegation shall be treated as maintainable unless supported by credible evidence.

The Subject shall also have the right to be informed of the outcome of the investigation. All investigations under this Policy shall ordinarily be completed within ninety (90) days from the date of receipt of the Protected Disclosure. In cases where the nature or complexity of the matter requires additional time, the Audit Committee may extend the investigation period, with the Whistle Blower being informed of the revised timeline.

Where feasible, periodic updates on the status of the investigation may be provided to the Whistle Blower, without disclosing sensitive information about the Subject or other confidential details. Upon completion of the investigation, the Audit Committee shall provide the Whistle Blower with a summary of the findings and the action taken, while maintaining the confidentiality of all individuals involved.

If the allegations against the Subject are substantiated in the Vigilance Officer's report, the Chairperson of the Audit Committee shall provide the Subject a final opportunity to explain their position before taking any disciplinary or corrective action.

IX. Decision and Reporting:

Upon completion of the investigation, if it is concluded that an improper, unethical, or unlawful act has been committed, the Chairperson of the Audit Committee shall recommend to the Board of Directors such disciplinary or corrective actions as may be deemed appropriate. The matter shall thereafter be closed, and the reasons for the decision shall be duly recorded. A copy of the final decision shall be communicated to the Audit Committee, the Vigilance Officer, the Whistle Blower, and the Subject.

Any disciplinary or corrective action taken against the Subject pursuant to this Policy shall be in accordance with the Company's applicable rules, procedures, and disciplinary framework.

If the Whistle Blower is not satisfied with the outcome of the investigation, they may escalate the matter to an appropriate legal or regulatory authority, subject to applicable laws.

However, it is expected that all complaints made under this Policy are in good faith and based on genuine concerns. Any Whistle Blower who knowingly makes false, frivolous, or malicious allegations of unethical or improper practices shall be subject to appropriate disciplinary action, as per the Company's policies and procedures.

X. Protection to Whistleblower:

The Company is committed to providing adequate protection to genuine Whistle Blowers who raise concerns in good faith under this Policy. No unfair treatment, discrimination, harassment, or victimization shall be meted out to a Whistle Blower by virtue of their having made a Protected Disclosure. Appropriate safeguards shall be maintained to protect Whistle Blowers against any form of retaliation or adverse employment consequence.

The Company shall also take reasonable steps to minimize any difficulties that a Whistle Blower may experience as a result of making a disclosure, including protection for any employee assisting in the investigation. Such individuals shall be accorded the same level of protection as the Whistle Blower.

No Whistle Blower shall be subject to dismissal, suspension, demotion, harassment, or any form of direct or indirect retaliation for reporting a Protected Disclosure in good faith.

The identity of the Whistle Blower shall be kept strictly confidential to the extent possible and permissible under law. Disclosure of identity may only be made where necessary for investigation or as required by law and with prior intimation to the Whistle Blower, wherever feasible.

While the Management is committed to protecting genuine Whistle Blowers, employees are expected to use this mechanism responsibly and not for personal gain or with malicious intent. Any complaint found to be frivolous, malicious, baseless, or made in bad faith will render the complainant liable for appropriate disciplinary action in accordance with the Company's applicable service rules.

XI. Confidentiality:

All individuals involved in the process including the Whistle Blower, Vigilance Officer, Members of the Audit Committee, the Subject, and any other persons assisting in the investigation shall maintain strict confidentiality regarding all matters pertaining to the Protected Disclosure and subsequent investigation.

Information shall be discussed or shared only on a need-to-know basis and strictly in accordance with the requirements of this Policy, solely for the purpose of carrying out a fair and thorough investigation. All documents, records, and electronic files relating to the disclosure and investigation shall be kept in secure custody and any electronic communication shall be password-protected to ensure confidentiality and data integrity.

XII. Communication:

A Whistle Blower Policy is effective only when employees are aware of its existence and provisions. Accordingly, this Policy shall be communicated to all employees through publication on the Company's notice boards, intranet, and official website to ensure easy accessibility and understanding.

XIII. Retention of Documents:

All Protected Disclosures, whether received in writing or documented in any other form, along with the results of any investigation conducted thereon, shall be retained by the Company for a period of three (3) years, or for such longer period as may be required under applicable law, whichever is more.

XIV. Administration / Review and Amendment of the Policy:

The Board of Directors of the Company shall have the responsibility for the administration, interpretation, application, and periodic review of this Policy. The Board reserves the right to amend, modify, or update this Policy, in whole or in part, at any time, with the concurrence of the Audit Committee, without assigning any reason or providing prior notice.

Any amendment or modification shall only be effective and binding on the Directors and employees once it has been formally communicated in the manner described above.

XV. Periodic Reporting and Disclosures:

The Vigilance Officer shall periodically report to the Chairperson of the Audit Committee on the number of Protected Disclosures received under this Policy, along with the status and outcome of investigations conducted.

The Company shall annually affirm that no Director or employee has been denied access to the Audit Committee and that appropriate protection has been provided to Whistle Blowers against any adverse personnel actions.

The establishment and functioning of the Vigil Mechanism/Whistle Blower Policy shall be disclosed by the Company in its Annual Report, specifically in the Board's Report, in accordance with applicable law.

XVI. Address for Reporting and Communication:

Email: cs@sobisco.com

Write to: Sona Biscuits Limited, 15A Hemanta Basu Sarani

Continental Chambers, 5th Floor, Kolkata 700001, West Bengal

Contact: 033 40455555