

RISK MANAGEMENT POLICY

OF

SBEC SUGAR LIMITED

## **I. BACKGROUND**

SBEC Sugar Ltd. (the Company) is engaged in the manufacture of sugar. The business activities of the Company carry various internal and external risks.

'Risk' in literal terms can be defined as the effect of uncertainty on the objectives. Risk is measured in terms of consequences and likelihood. Risks can be internal and external and are inherent in all administrative and business activities. Every member of any organization continuously manages various types of risks. Formal and systematic approaches to managing risks have evolved and they are now regarded as good management practice also called as Risk Management.

'Risk Management' is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realization of opportunities. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources.

Effective risk management requires:

- A strategic focus,
- Forward thinking and active approaches to management
- Balance between the cost of managing risk and the anticipated benefits, and
- Contingency planning in the event that critical threats are realised.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, business cycle, etc.

## **II. LEGAL FRAMEWORK**

The provisions of Section 134(3)(n) of the Companies Act, 2013 necessitate that the Board's Report should contain a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

Further, the provisions of Section 177(4) (vii) of the Companies Act, 2013 require that every Audit Committee shall act in accordance with the terms of reference specified in

writing by the Board which shall inter alia include evaluation of risk management systems.

In line with the above requirements, it is therefore, required for the Company to frame and adopt a “Risk Management Policy” (this Policy) of the Company.

### **III. PURPOSE AND SCOPE OF THE POLICY**

The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company’s business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

#### **The specific objectives of this Policy are:**

- To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
- To establish a framework for the company’s risk management process and to ensure its implementation.
- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- To assure business growth with financial stability

### **IV. APPLICABILITY**

This Policy applies to all areas of the Company’s operations.

### **V. KEY DEFINITIONS**

#### **Risk Assessment:**

The systematic process of identifying and analyzing risks. Risk Assessment consists of a detailed study of threats and vulnerability and resultant exposure to various risks.

#### **Risk Management:**

The systematic way of protecting business resources and income against losses so that the objectives of the Company can be achieved without unnecessary interruption.

## **Risk Management Process:**

The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risk.

## **VI. RISK FACTORS**

The objectives of the Company are subject to both external and internal risks that are enumerated below:-

### **External Risk Factors**

- Economic Environment and Market conditions
- Political Environment
- Competition
- Revenue Concentration and liquidity aspects
- Inflation/Deflation and Cost structure
- **Technology Obsolescence**

The Company strongly believes that technological obsolescence is a practical reality. Technological obsolescence is evaluated on a continual basis and the necessary investments are made to bring in the best of the prevailing technology.

- **Legal**

Legal risk is the risk in which the Company is exposed to legal action. As the Company is governed by various laws and the Company has to do its business within four walls of law, the Company is exposed to legal risk.

- **Internal Risk Factors**

- Project Execution
- Contractual Compliance
- Operational Efficiency
- Hurdles in optimum use of resources
- Quality Assurance
- Environmental Management
- Human Resource Management
- Culture and values

## **VII. RESPONSIBILITY FOR RISK MANAGEMENT**

Generally every staff member of the Organization is responsible for the effective management of risk including the identification of potential risks. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. Risk management processes should be integrated with other planning processes and management activities.

## **VIII. COMPLIANCE AND CONTROL**

All the Senior Executives under the guidance of the Chairman and Board of Directors has the responsibility for over viewing management's processes and results in identifying, assessing and monitoring risk associated with Organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk. In doing so, the Senior Executive considers and assesses the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of any external agency in this regards and action taken or proposed resulting from those reports.

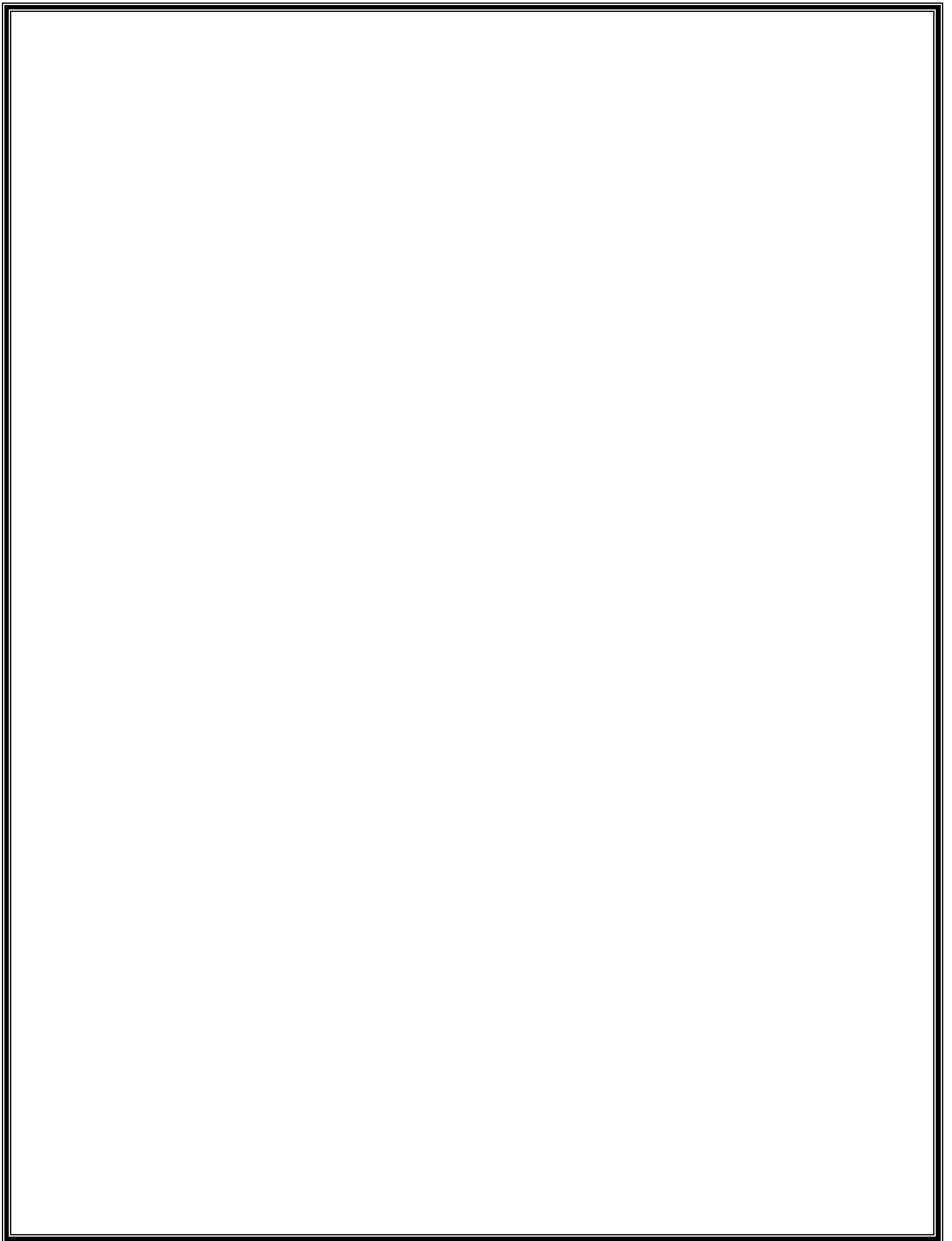
## **IX. REVIEW**

This Policy shall be reviewed at least every year to ensure it meets the requirements of legislation and the needs of organization.

## **X. AMENDMENT**

This Policy can be modified at any time by the Board of Directors of the Company.

**SBEC SUGAR LIMITED**  
**POLICY FOR DETERMINING MATERIAL**  
**SUBSIDIARY**



## **LEGAL FRAMEWORK**

Clause 49 (V) (D) under Listing Agreement extends certain principles of Corporate Governance to Material Subsidiaries of listed companies.

The Board of Directors (the “Board”) of SBEC Sugar Limited (the “Company”) is obliged to formulate a policy for determining “Material Subsidiaries” to comply with the requirements of Clause 49 of the Listing Agreement for such Material Subsidiaries. In case of any amendment(s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment (s), clarification (s), circular (s) etc.

## **PURPOSE OF THE POLICY**

Besides determining the Material Subsidiaries and disclosure thereof as required by Clause 49 (V) of the Listing Agreement and any other Laws and Regulations as may be applicable to the Company, the Policy on Material Subsidiaries (this “Policy”) intends to ensure governance of Material Subsidiaries by complying with Directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions or arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling or disposing or leasing of assets of such Subsidiaries by the Company.

## **DEFINITIONS**

### **1. Act**

“Act” means Companies Act, 2013 and Rules prescribed thereunder, including any statutory amendment or modification thereof.

### **2. Audit Committee**

“Audit Committee” means the Audit Committee of the Board which as on date complies with the provisions of Section 177 of the Act read with applicable Rules and Clause 49 of the Listing Agreement.



### **3. Clause 49**

“**Clause 49**” means the Clause 49 of the Listing Agreement, as entered into by the Company with the Stock Exchanges including any amendment or modification thereof.

### **4. Consolidated Income**

“**Consolidated Income**” means the total income of the Company and its Subsidiaries.

### **5. Holding Company**

“**Holding Company**” in relation to one or more other companies, means a company of which such companies are Subsidiary companies.

### **6. Independent Director**

“**Independent Director**” means a Director of the Company, not being a Whole-time Director and who is neither a Promoter nor belongs to the Promoter group of the Company and who satisfies other criteria for independence under the Act and Clause 49.

### **7. Material Non-listed Indian Subsidiary**

“**Material Non-listed Indian Subsidiary**” shall mean an unlisted Subsidiary, incorporated in India, whose income or Net Worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or Net Worth respectively, of the listed Holding Company and its subsidiaries in the immediately preceding accounting year.

### **8. Material Subsidiary**

A Subsidiary shall be considered as Material if the investment of the company in the Subsidiary exceeds 20 % of its consolidated Net Worth as per the audited balance sheet of the previous financial year or if the Subsidiary has generated 20% of the consolidated income of the company during the previous financial year.

### **9. Net Worth**

“**Net Worth**” shall mean the net worth as computed based on the last audited financial statements of the Company.

## 10. Significant Transaction or Arrangement

“**Significant Transaction or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10 % of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the Material unlisted Subsidiary for the immediately preceding accounting year.

## 11. Subsidiary Company

“**Subsidiary Company**” or “**Subsidiary**” in relation to any other company (that is to say the Holding Company), means a company in which the Holding Company -

i. controls the composition of the Board; or

ii. exercises or controls more than one half of the total share capital either at its own or together with one or more of its Subsidiary companies.

Total Share Capital means the aggregate of the:

(a) Paid-up equity share capital; and

(b) Convertible preference share capital

Explanation- For the purpose of this definition,-

a) A Company shall be deemed to be a Subsidiary company of the Holding Company even if the control referred to in clause (i) or (ii) above is of another Subsidiary company of the Holding Company;

b) The composition of a company's Board shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the Directors.

The term "Control" shall include the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner (Section 2 (27), of the Act).

## **GUIDING PRINCIPLES**

### **Identification of "Material Subsidiary" of the Company:**

Shall be a one-time exercise and such exercise shall be done during each financial year and the conclusion shall be placed before the Audit Committee and the Board of the Company.

"Material Non-listed Indian Subsidiary" of the Company would be identified, if any, as one-time exercise and such exercise shall be done during each financial year and the conclusion shall be placed before the Audit Committee and the Board of the Company.

## **PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY COMPANIES**

1. The Chief Financial Officer of the Company Mr. Shobit Nehra, (Company Secretary) and Mr. L.C. Sharma, (Chief Financial Officer) will be responsible for monitoring and determining which of the Subsidiaries falls within the definition of Material Subsidiary.

2. Monitoring of investments made by the Company in the Subsidiaries for the purpose of determining the Materiality of the Subsidiary shall be done whenever such an investment is made. Monitoring the quantum of generation of consolidated income of the Company will be done at the time of finalizing the consolidated annual accounts of the Company.

## **RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY**

The Company shall not dispose shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than 50% or cease the exercise of control over the Subsidiary without passing a special resolution in its General Meeting except in cases where such disinvestment is made under a scheme of arrangement duly approved by a Court or Tribunal or it has previously been approved by the Board for "Disinvestment".

## **RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY**

The Company shall not sell, dispose and lease assets amounting to more than 20 % of the assets of the Material Subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of passing special resolution in its General Meeting, unless the sale or disposal or lease is made under a scheme of arrangement duly approved by Court or Tribunal.

## **DISCLOSURES**

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

## **AMENDMENT OR REVIEW**

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

# **SBEC SUGAR LIMITED**

***POLICY ON MATERIALITY OF RELATED PARTY  
TRANSACTION AND ALSO ON DEALING WITH RELATED  
PARTY TRANSACTIONS***

The Board note that as per amended Clause 49 (VII) of the Listing Agreement Company is required to form a policy on determining materiality of related party transactions and also on dealing with Related Party Transactions.

The Board is review and form a policy for necessary Compliance.

### **POLICY**

1. The Policy with related a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual consolidated turnover of the company as per the last audited financial statements of the company."
2. **All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:**
  - a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
  - b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
  - c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

**Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.**

- d) Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year"

## **RELATED PARTY TRANSACTIONS THAT SHALL NOT REQUIRE APPROVAL:**

Above provisions shall not be applicable where:

(i) Any transaction that involves the providing of compensation to a Director or KeyManagerial Personnel, in accordance with the provisions of the Act , in connection withhis or her duties to the Company or any of its Subsidiaries or Associates, including thereimbursement of reasonable business and travel expenses incurred in the OrdinaryCourse of Business;

(ii) Any transaction which is in the Ordinary Course of Business and on an Arm's LengthBasis as determined in terms of this Policy;

(iii) Any transactions entered into between a holding company and its wholly ownedsubsidiary whose accounts are consolidated with such holding company and placedbefore the shareholders at the general meeting for approval.

(iv) Transactions that have been approved by the Board under the specific provisions of theAct, e.g. inter-corporate deposits, borrowings, investments with or in wholly ownedsubsidiaries or other Related Parties;

(v) Payment of Dividend;

(vi) Any other exception which is consistent with the Applicable Law, including any Rules orRegulations made thereunder, and must be approved in advance by the AuditCommittee.

3. All material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

### **4. Approval by Circulation of Resolution by the Committee**

In the events if the Company management determines that it is impractical or undesirable to wait for holding a meeting of Committee to enter into a related party transaction, such transaction may be approved by the Committee by way of circulation in accordance with this policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee at its next scheduled meeting.

## **5. DISCLOSURE BY DIRECTORS/ KEY MANAGERIAL PERSONNEL**

- Each Director and Key Managerial Personnel of the Company shall promptly notify the Company / Company Secretary of any potential Related Party Transaction involving him or her or his or her Relatives, including any additional information about the transaction that the Company Secretary of the Company shall reasonably request. The Company Secretary, in consultation with other members of management and an independent counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy. Ratification of a Related Party Transaction after its commencement or even its completion may be appropriate in some circumstances.
- Every Director or Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such meeting.
- Where any Director or Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he/she shall, if he/she becomes concerned or interested after the contract or arrangement is entered into, disclose his/her concern or interest forthwith when he/she becomes concerned or interested or at the first meeting of the Board held after he/she becomes so concerned or interested.
- A contract or arrangement entered into by the Company without disclosure or with participation by a Director or Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.
- In addition, each Director or Key Managerial Personnel is required to make disclosures of the entities in which they or their Relatives are or are deemed to be interested, in the prescribed format under Applicable Law.
- Any Director or Key Managerial Personnel who has been convicted of the offence dealing with Related Party Transactions at any time during the last preceding five years shall be disqualified for appointment as Director / Key Managerial Personnel, as the case may be.



## **6. Guidelines on Determination of Arm's length nature of the Related Party Transactions**

As a matter of prudence, the following guidelines are issued:

At the time of determining the Arm's Length Basis of price charged for the Related Party Transaction, the Audit Committee shall inter- alia take into consideration the following:

- (i) Permissible methods of Arm's Length pricing as per Applicable Law including such prices where the benefits of safe harbor is available under Applicable Law.
- (ii) For the said purposes the Audit Committee shall be entitled to rely on professional opinion in this regard.

The Company relies on professionals and experts in the field of Company Law, Accounting and Taxation to review, certify and report on transactions, including those with Related Parties.

## **6. DISCLOSURES**

- The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.
- The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.

For the above purpose the term related party is defined as under:

**Related Party:**

- (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) such entity is a related party under the applicable accounting standards."

**Section 2(76) "Related Party" with reference to a Company, means-**

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager **or his relative** is a member or director;
- (v) a public company in which a director or manager is a director or **(read as and)** holds along with his relatives, more than two per cent of its paid-up share capital;
- (vi) anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any company which is –

(a) a holding, subsidiary or an associate company of such company; or

(b) a subsidiary of a holding company to which it is also a subsidiary;

(ix) such other person as may be prescribed;

**ANY OTHER ITEM:**

**1. TO GRANT OMNIBUS APPROVAL FOR RELATED PARTY TRANSACTIONS**

As per amended Clause 49 recognizes that transactions between the Company and one or more of its Related Parties (more particularly referred to as “Related Party Transactions” and defined hereinafter) present a risk of actual or potential conflicts of interest.

The Company will enter into Related Party Transactions only with the prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for the proposed Related Party Transaction because the need of Related Party Transaction cannot be foreseen and details as required under clause 49 are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore per transaction but Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given and Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year"

The Committee took note of the same.

**“RESOLVED THAT** the Committee grant omnibus approval for the proposed related party transaction the need of related Party Transaction cannot be foreseen and details as required under clause 49 are not available, subject to their value not exceeding Rs. 1 Crore per transaction but the details of RPTs entered into by the company pursuant to each of the omnibus approval given and Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year"

**ANY OTHER ITEM:**

**1. TO CONSIDER AND APPROVE THE APPOINTMENT OF MR. VIJAY KUMAR MODI AS A NON- EXECUTIVE ADDITIONAL DIRECTOR OF THE COMPANY.**

As per Article 116 of the Article of Association of the Company and Pursuant to provisions of Section 161 of the Companies Act, 2013, the Board is authorized to appoint additional Director in the Board of the Company. It is proposed that Mr. Vijay Kumar Modi Who has given his consent to the Company and the appointment also recommended by the Nomination and Remuneration Committee on its meeting, may be appointed as Non executive Additional Director of the Company.

The Committee is requested to consider and pass the following resolution in this regard:

**“RESOLVED THAT** pursuant to Section 161 of the Companies Act, 2013 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, recommendation of the Committee be and is hereby accorded to the Board for appointment of Mr. Vijay Kumar Modi as a Non- executive Additional Director on the Board of Directors of the Company w.e.f. February 06, 2015, who shall hold office upto the date of the ensuing Annual General Meeting of the Company.

**2. TO CONSIDER AND ACCEPT THE RESIGNATION OF MR. ARUN GUPTA (CFO) OF THE COMPANY**

The Committee to be informed that Mr. Arun Gupta, CFO of the Company has tendered his resignation dated \_\_\_\_\_ from the post of Chief Financial Officer but management

continuously insisting him to continue his Services but at the end he finally resigned w.e.f \_\_\_\_\_.

The Committee may accept the same and pass the following resolution in this regard:

**“RESOLVED THAT** the resignation of Mr. Arun Gupta from the post of Chief Financial Officer of the Company be and is hereby accepted with effect from \_\_\_\_\_

**RESOLVED FURTHER THAT** the Board places on record its appreciation for the assistance and guidance provided by Mr. Arun Gupta during his tenure as CFO of the Company.

### **3. TO APPOINT CHIEF FINANCIAL OFFICER**

In terms of Section 203 of the Companies Act 2013 the Company is required to appoint Chief Financial Officer of the Company, who shall be one of the Key Managerial Personnel in terms of the said Act.

The Committee is requested to consider the appointment of Mr. \_\_\_\_\_ as the Chief Financial Officer of the Company and pass the following resolution in this regard:

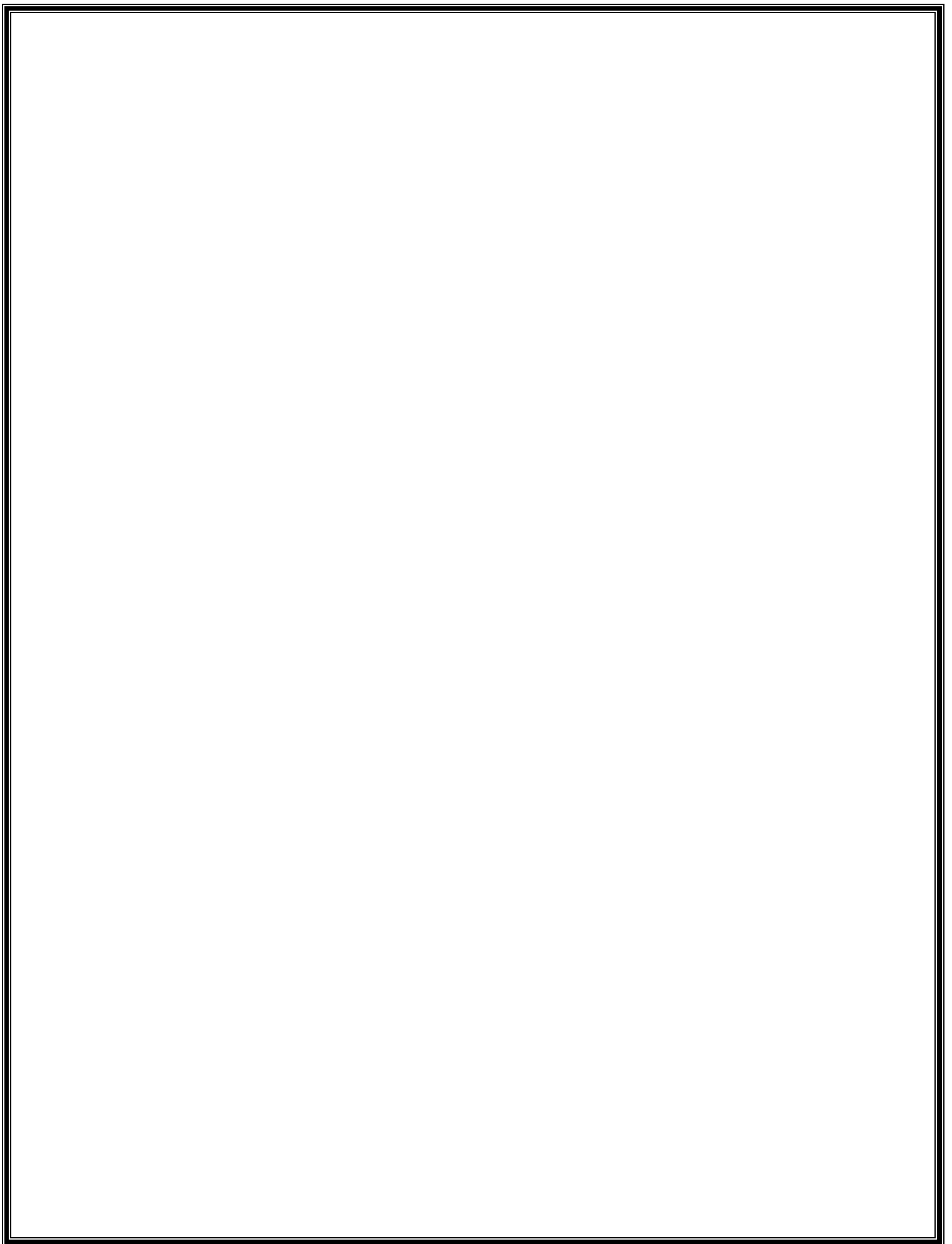
**“RESOLVED THAT** recommendation of the Committee be and is hereby accorded to the Board for appointment of Mr. \_\_\_\_\_, as Chief Financial Officer of the company.”

### **4. TO APPOINT SECRETARIAL AUDITORS**

The Committee to note that as per Section 204 of the Companies Act 2013 the Company is required to appoint a Secretarial Auditor for the Company.

The Committee is requested to consider the appointment of Secretarial auditor of the company and passing the following resolution in this regard:

**“RESOLVED THAT** recommendation of the Committee be and is hereby accorded to the Board for appointment of M/s. \_\_\_\_\_, Company Secretaries, as Secretarial Auditor of the Company for the F.Y. 2014-2015 and authorization in favour of Mr. Umesh Kumar Modi, Chairman & President of the company to fix the remuneration from time to time in consultation with the Audit Committee.”



## **SBEC SUGAR LIMITED**

### **FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS**

The Schedule IV of the Companies Act, 2013 and the Clause 49 of the Listing agreement entered with the Stock Exchanges mandates the Company to familiarize the Independent Directors with the Company.

The Familiarization programme ("hereinafter referred as Programme") aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

The Company shall through its Executive Directors / Senior Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

The programme is divided into various modules such as:

- Roles, Rights and Responsibilities
- Board dynamics & functions
- Nature of the Industry in which Company operates
- Detailed overview and demo of company product and services
- Management Techniques
- Business Model of Company

Familiarization programme will be conducted "as needed" basis during the year.

### **DISCLOSURE OF THE POLICY**

This Policy shall be uploaded on the Company's website for public information and a web link for the same shall also be provided in the Annual Report of the Company.

### **REVIEW OF THE PROGRAM**

The Board will review this Program and make revisions/amendments as may be required from time to time.

**SBEC SUGAR LIMITED**  
**VIGIL MECHANISM**



## **VIGIL MECHANISM / WHISTLE BLOWER POLICY SBE SUGAR LIMITED**

### **1. PREFACE**

Pursuant to clause 49 of Listing Agreement and as per provisions of section 177 of the Companies Act, 2013 ("Act") requires every listed company shall establish a Whistle Blower policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. 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 directors and employees who avail of such mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases.

Under these circumstances, SBEC Sugar Limited ("SSL"), being a Listed Company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

### **2. POLICY OBJECTIVES**

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

### **3. DEFINITIONS**

(a) "**Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 292A / 177 of the Companies Act, 1956/ Companies Act 2013 and read with revised Clause 49 of the Listing Agreement with the Stock Exchanges.

(b) **“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. Protected Disclosures should be factual and not speculative in nature.

(c) **“Unethical & improper practices”** shall mean:

- An act, which does not conform to approved standard of social and professional behaviour;
- An act, which leads to unethical business practices;
- Improper refers to unethical conduct;
- Improper refers to unethical conduct;

(d) **“Code”** mean Conduct for Directors and Senior Management Personnel adopted by SBEC Sugar Limited

(e) **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation

(g) **“Vigilance Officer/Vigilance Committee or Committee”** is a person or Committee of persons, nominated/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.

(h) **“Whistle Blower”** is a Director or employee who makes a Protected Disclosure under this Policy.

(j) **“Company”** means SBEC Sugar Limited.

#### **4. SCOPE OF THE POLICY**

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:

1. Breach of the Company’s Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud

5. Deliberate violation of laws/regulations
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets

#### **5. ELIGIBILITY**

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

#### **6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:**

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower policy**” or 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, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance Officer are as under:-

**Name and Address – Mr. Shobit Nehra  
Company Secretary  
SBEC Sugar Limited**

**Email-** investors@sbecsugar.com

Protected Disclosure against the Vigilance Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman/ CEO of the Company should be addressed to the Chairman of the Audit Committee.

Name and Address of Chairman (Audit Committee):

**Sh. G.C. Jain  
SBEC Sugar Limited  
Email-** investors@sbecsugar.com

**Name and Address of CEO& Chairman:** Shri U.K Modi

On receipt of the protected disclosure the Whistle and Ethics Officer / Chairman/ CEO/ Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. The record will include:

Brief facts;

- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- Whether the same Protected Disclosure was raised previously on the same subject;
- Details of actions taken by Whistle Officer / Chairman/ CEO for processing the complaint
- Findings of the Audit Committee
- The recommendations of the Audit Committee/ other action(s).

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

## **7.INVESTIGATION**

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process. 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.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

## **8. DECISION**

If an investigation leads the Whistle and Ethics Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Whistle Officer / Chairman of the Audit Committee 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.

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 Whistle Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## **9. REPORTING**

The Whistle & 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

## **10. SECRECY &CONFIDENTIALITY**

The complainant, Vigilance Officer, Members of Audit Committee, 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 and keep the papers in safe custody.

## **11. 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. Adequate safeguards against victimization of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **12. 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 intention.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

## **13. 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.

## **14. COMMUNICATION**

Directors and Employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

## **15. DISCLOSURE IN ANNUAL REPORT**

The details of establishment of Whistle Blower Mechanism/Vigil Mechanism shall be disclosed by the Company in its Annual Report under the "Board's Report".

## **16. 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 them in writing.

# SBEC SUGAR LIMITED

*STANDING OPERATING PROCEDURE*

*OF*

*SECRETARIAL DEPARTMENT*

# **Secretarial Department**

## **Conduction of Committee Meeting/Board Meeting**

### **Steps for conducting Board Meeting**

1. Finalization of Board Meeting date after taking approval from the Board.
2. Deciding and Finalization of Board Meeting items.
3. Circulation of Notice of Board Meeting to the Board and Concerned invitees along with point wise agenda through mail before seven clear days of Board meeting.
4. Circulation of Detailed Agenda along with relevant back-up items of Agenda through mail after circulating Notice.
5. Preparation of required number of hard copies of Agenda.
6. Preparation of Attendance Sheet.
7. Co-ordination with all departments till the successful completion of Board meeting like Co-ordination with administrative department for booking of board room, arranging of stationary items etc.
8. Take care of all arrangements before starting of the meeting till closure of the meeting.
9. To take attendance of all members present at the meeting.
10. Checking of the quorum of Board meeting so that meeting can be convened properly.
11. Recording of proceedings of the Board present at the meeting.
12. Preparation, Finalization and Circulation of draft minutes within 15 days of the board meeting.
13. Request mail for Sitting fees cheques within 2 days of completion of board meeting.
14. Co-ordination with Accounts department and Collection of Cheques from them.
15. Sending of Cheques to the concerned directors within 1 day of receiving cheque from accounts department.

### **Committee Meeting**

Committees of the Board includes all statutory committees as required by the Companies Act, 2013 like Audit Committee, Nomination and Remuneration Committee etc. and other committees of the board. They are required to meet as when required by the circumstances except Audit Committee. Procedure for holding committee meeting is same as of board meeting.



**Note:-**No Sitting Fees is required to pay in case of Committees meetings of the Board except Audit Committee of the Company.

### **Conduction of General Meeting**

General meeting may be Annual General Meeting or Extra-Ordinary General Meeting.

#### **Steps for conducting Extra-Ordinary General Meeting/Annual General Meeting**

1. Finalization of General Meeting date as and when there comes some special business.
2. Deciding and finalization of meeting items.
3. Circulation of Notice of General Meeting to all members, directors and concerned persons, if required, along with point wise agenda through mail before twenty-one clear days of general meeting.
4. Circulation of Detailed Agenda along with relevant back-up items of Agenda through mail after circulating Notice.
5. Preparation of required number of hard copies of Agenda.
6. Preparation of Attendance Sheet.
7. Co-ordination with all departments till the successful completion of General meeting like Co-ordination with administrative department for booking of board room, arranging of stationary items etc.
8. Take care of all arrangements before starting of the meeting till closure of the meeting.
9. To take attendance of all members present at the meeting.
10. Recording of proceedings of the Members present at the meeting.
11. Preparation and finalization of minutes with 21 days.
12. Signing of Minutes within 30 days of meeting.

**Note:-** Annual General Meeting is mandatory meeting required to hold as per the provisions of Companies Act, 2013.

### **Approval of minutes of the Board Meeting**

1. After circulation of draft minutes within 15 days of Board Meeting, The Board is given 7 days of time for their comments or approval over the minutes.
2. After their approval or in case no approval is provided within 7 days due to pre-occupation of directors then minutes are deemed to be finalized.

3. The minutes of the board meeting are either signed by the chairman of the meeting or by chairman of next meeting.
4. In case minutes are not signed by the chairman of the meeting due to pre-occupation of chairman, then minutes can also be signed by the chairman of next board meeting.
5. Minutes of meeting entered into the minute book within 30 days of from the date of conclusion of the meeting.
6. After signing of the minutes by chairman, certified copy of the signed minutes of the meeting are circulated to the Board within 15 days of signing.

### **Maintenance of Statutory Registers**

1. After the completion and finalization of Board Minutes, Items are selected over which statutory registers need to update.
2. Necessary entries are passed in the Respective registers are updated within 10 days.

### **ROC FILING**

ROC Filing may be of two types :- (1) Statutory Filing  
(2) Event Based Filing

#### **(a) Statutory Filing :- Form AOC-4, Form MGT-7**

##### **Form AOC-4**

Form AOC-4 is a mandatory form filed within 30 days of holding AGM. Notice of AGM, Director Report along with annexures like AOC-1, AOC-2, MGT-9, Secretarial Audit Report and Financials of the company both consolidated and standalone are the mandatory attachments to this form.

Steps for filing AOC-4 are mentioned below:-

1. Co-ordination with various departments and persons for seeking information as required for the preparation of draft Notice of AGM, Director Report along with complete annexures and Annual Report.
2. Conducting board meeting as per steps mentioned in "Conduction of Board Meetings/Committee Meetings" for seeking approval for draft documents and other items.

3. After approval of Notice of AGM in the Board Meeting, Conducting Annual General Meeting as per steps mentioned in "Conduction of Extra-Ordinary General Meeting/Annual General Meeting."
4. After approval of all attachments to the form in AGM, Co-ordination for signing of documents by persons as authorized by the Board.
5. Co-ordination with the practicing company secretary for the conversion of above documents in XBRL format.
6. Checking of PDF format of XBRL for any rectification and approval to PCS.
7. Filing of Form AOC-4 with ROC within 30 of holding AGM.

#### **Form MGT-7**

Form MGT-7 is filed within 60 days of holding AGM.

1. Preparation of List of Shareholders as on Financial Year end date as required to attach with the Form.
2. Preparation and Filing of Form within 60 days of holding AGM.

#### **(b) Event Based Filing:- Forms :- MGT-14, DIR-12, DIR-11, SH-7, PAS-3, INC-22, GNL-2 etc.**

After finalization of Board Minutes items are checked with respect to which filing is required to made with the ROC. After ascertaining items, required documents for filing are made and filing is made within the prescribed period of time as fixed by Ministry of Corporate Affairs.

#### **GENERAL ADVISORY AND CO-ORDINATING WORK**

This part includes providing of support service to various departments of organization and miscellaneous secretarial work:-

1. Providing data and information to the Statutory Auditors and Secretarial Auditors of the company.
2. Providing data and information to various departments (Finance Department, Account's Department, Legal and Commercial department etc. of the company).
3. Taking of MBP-1 and DIR-8 from the directors on regular basis.

# SBEC SUGAR LIMITED

## SUCCESSION PLAN FOR APPOINTMENT TO THE BOARD AND SENIOR MANAGEMENT

[Regulation 17(4) SEBI Listing Regulations, 2015]

### 1. INTRODUCTION:

According to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Board of Directors of every listed company shall satisfy itself that plans itself are in place for orderly succession for appointments to the Board and to senior management. The term "senior management" would mean personnel of the Company who are members of its core management team excluding Board of Directors comprising:

- (i) All members of management one level below the executive directors and
- (ii) The functional heads

### 2. Objective

The objective of this policy is to make a plan for orderly succession for appointment to the Board and to the Senior Management.

### 3. Process:

**(a) Board Level Appointment:** The Nomination and Remuneration Committee of the Company shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 read with terms of Corporate Governance as may be amended from time to time.

**(b) Sr. Management Level Appointment:** The vacancy at Senior Management shall be filled up by the Chairman & President in line with the internal policy adopted by the management, keeping in view the organization's mission, vision, values, goals and objectives.

### 4. Consistency of Policy with the statutory requirement:

(a) The Board shall review the succession policy periodically and if required, will make suitable changes in the policy keeping in view to the regulatory changes or changes due to business environment.

(b) Chairman & President shall be empowered to keep update the policy in line with the regulatory requirement and make suitable changes in the existing policy subject to the approval of Nomination and Remuneration Committee.

## **POLICY ON BOARD DIVERSITY OF SBEC SUGAR LIMITED**

**[Regulation 19(4) SEBI Listing Regulations, 2015]**

### **1. PURPOSE:**

The policy on Board Diversity (“the Policy”) sets out the approach to diversity on the Board of Directors (the “Board”) of SBEC Sugar Limited (“the Company”).

### **2. POLICY STATEMENT**

The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspective appropriate to the requirements of the business of the Company. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. The differences will be considered in determining the optimum composition of Board and when possible should be balanced appropriately.

The Company maintains that Board appointments should be based on merits that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience, and qualifications, gender, age, cultural and educational background, and any other factors that the board might consider relevant and applicable from time to time for it to function effectively.

In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

#### **2.1 Optimum composition**

(a) The Board shall have an optimum combination of executives and non- executive directors and not less than fifty per cent of the Board of directors comprising non-executive directors.

(b) At least half of the Board should comprise of independent directors (where the chairman of the Board is executive or promoter) or at least one-third of the Board consisting of independent directors (where the chairman of the Board is non-executive).

In any case, the Company should strive to ensure that the number of independent directors do not fall below 3(three) so as to enable the board to function smoothly and effectively.

(c) The Company shall have at least one women director on the Board to ensure that there is no gender inequality on the Board.

## **2.2 Functional diversity**

(a) Appointment of directors to the Board of the Company should be based on the specific needs and business of the Company. Appointments should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company.

(b) Knowledge of and experience in domain areas such as Chemicals, Textiles, Mines, Wind mills, Salt industry, law, banking and finance, corporate, investment banking, Governance and risk, management, administration, CSR, etc. , should be duly considered while making appointments to the Board level.

(c) While appointing independent directors, care should be taken as to the independence of the proposed appointee.

(d) Directorships in other companies may also be taken into account while determining the candidature of a person.

## **2.3 Stakeholder diversity**

The Company may also have directors on its Board representing the interest of any financial institution or any other person in accordance with the provision of its articles of association and/or any agreement between the Company and the nominating agency.

## **3. ROLE OF NOMINATION AND REMUNERATION COMMITTEE**

The nomination and remuneration committee ('NRC') of the company shall review and assess Board composition on behalf of the Board and shall recommend to the Board, the appointment of new directors based on their qualifications, positive attributes and independence.

In reviewing Board composition, NRC will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

## **4. REVIEW OF THE POLICY**

The NRC will review the policy from time to time keeping in view the statutory requirement and need of the organization and recommend the same to the Board for their approval

# **SBEC SUGAR LIMITED**

**POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR  
INFORMATON**

## POLICY FOR DETERMINATION OF MATERIALITY OF EVENT / INFORMATION

### 1. Preface

The Board of Directors of SBEC Sugar Limited ('the Company') has adopted the following policy and procedures with regard to determination of materiality of events or information which are required to be disclosed to the stock exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The policy shall be effective from **December 1, 2015**.

### 2. Purpose

The purpose of this policy is to determine materiality of events and information and to ensure that the Company shall make disclosure of events / information specified in Para A and B of Part A of Schedule III of the Listing Regulations to the stock exchanges.

### 3. Criteria for determination of materiality of events/ information

(i) Events/Information specified in Para A of Part A of Schedule III to the Listing Regulations are deemed to be material, without applying any test of materiality. A list of such events/information is attached as Annexure-I.

(ii) Events/Information specified in Para B of Part A of Schedule III to the Listing Regulations shall be considered as material, based on application of guide lines for materiality, as specified below:-

**Quantitative Criteria** would mean an event/ information where the value involved or the impact:

(a) exceeds 10 % of the gross turnover, or

(b) exceeds 20% of the net worth,

Whichever is higher, calculated on the basis of audited financial statements of the last audited financial year,

**Qualitative Criteria** would mean an event/ information where

(a) The omission of an event or information which is likely to result in discontinuity or alteration of event or information already available publicly; or



(b) The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;

(c) In case where the criteria specified in (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company, the event/information is considered necessary.

**A list of such events/information are attached as Annexure-II**

(iii) Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts etc. and brief details thereof and other information which is exclusively known to be Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities, as stated under Para C of Part A of Schedule III of the Listing Regulations, be disclosed as may be advised by the Board of Directors of the Company from time to time.

**4. Disclosure of events/ information**

The Company shall disclose to the stock exchanges of all events or information, as specified in attached Annexure I or II to the Policy as soon as reasonably possible and not later than *twenty four hours* from the occurrence of such event or information, based on the criteria for determination of materiality of events/information provided in this Policy.

In case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosure provide explanation for delay.

However, disclosure with respect to events specified in Para 1 of Annexure I shall be made within thirty minutes of the conclusion of the Board meeting.

**5. Authorization for disclosures**

The committee comprising of Whole-time Director, CFO and Company Secretary shall decide whether particular event/information is material and shall decide for disclosure of information to Stock Exchanges.

The Company will make prompt uniform and universal disclosure of material events to avoid any selective disclosure. In order to ensure the universal disclosure, the

information will be first sent to the stock exchanges where the shares of the Company are listed before the information is released to investor, research analysts, media or any section of public.

The Company Secretary shall in co-ordination with the Committee shall disseminate/disclose the information to the Stock Exchanges where the securities of the Company are listed.

## **6. Amendments**

The Board of Directors may, subject to any applicable laws, amend any provision or substitute any of the provision with the new provision or replace the Policy entirely with a new Policy at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In the event of any conflict between the provisions of this Policy and the Listing Regulations or any other statutory enactments, rules, etc., the provisions of such Listing Regulations or statutory enactments shall prevail over this Policy.

## **7. Dissemination of Policy and Events/ Information**

All such events or information which has been disclosed to the stock exchanges under this policy, to be placed on the website of the Company for a minimum period of five years and thereafter as per the Archival Policy of the Company.

## ANNEXURE-I

Events/Information which shall be mandatorily disclosed to the stock exchanges without any application of the guidelines for materiality:

1. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

- (a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- (b) any cancellation of dividend with reasons thereof;
- (c) the decision on buyback of securities;
- (d) the decision with respect to fund raising proposed to be undertaken
- (e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- (f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- (g) short particulars of any other alterations of capital, including calls;
- (h) financial results;
- (i) decision on voluntary delisting by the listed entity from stock exchange(s).

2. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation: For the purpose of this sub-para, the word 'acquisition' shall mean:-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that-
  - a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
  - b) there has been a change in holding from the last disclosure made under sub-clause a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

3. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
4. Revision(s) in Rating(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party / creditors.
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

## Annexure II

### Events / information which shall be disclosed to the stock exchanges upon application of the guidelines for materiality specified in the Policy:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

# SBEC SUGAR LIMITED

POLICY ON PRESERVATION OF DOCUMENTS

## **POLICY ON PRESERVATION OF DOCUMENTS**

### **1. LEGAL FRAMEWORK**

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") imposed certain obligations and disclosure requirements on all listed entities, one of the common obligations for all listed entities pursuant to Regulation 9 being to formulate and put in place a policy for preservation of documents.

The Board of Directors SBEC Sugar Limited ("the Company") is required to formulate a policy for "Preservation of Documents" to comply with the requirements of Regulation 9 of the Listing Regulations.

### **EFFECTIVE DATE**

The Policy is effective from December 01, 2015.

### **2. DEFINITIONS**

#### **A. "Board of Directors" or "Board"**

Board of Directors or Board shall mean the Board of Directors of SBEC Sugar Limited, as constituted from time to time.

#### **B. "Company"**

**Company shall mean "SBEC Sugar Limited".**

#### **C. "Documents"**

Documents shall mean all papers, records, files, books, tapes, CDs, DVDs, electronic storage devices Documents etc, and the like as required to be maintained under any law or regulation for the time being in force.

#### **D. "LISTING REGULATIONS"**

Listing Regulations shall mean Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

### **3. OBJECTIVE**

This policy sets the standards for managing, storing and preservation of documents of the Company broadly classified into two categories:-

**A.** The documents of a permanent nature (listed in Annexure 1) shall be maintained and preserved permanently by the Company subject to the modifications, amendments, additions, deletions or any changes made therein from time to time.

Provided that all such modifications, amendments, additions, deletions in the documents shall also preserved permanently by the Company.

**B.** The Documents to be maintained and preserved for a specified time period after completion of the relevant transactions (listed in Annexure-2) shall be preserved by the Company for the term not less than eight years after completion of the relevant transaction subject to the modification, amendments, additions, deletion or any changes made therein from time to time.

Provided that all such modification, amendments, additions, deletion in the document shall also be preserved for a term not less than eight years.

Provided further that the company keep the documents as specified above in an electronic mode.

#### **4. ROLE & RESPONSIBILITIES**

The respective Departmental Heads of the company shall be responsible for maintenance, preservation and destroying of documents in respect of the areas of operation falling under the charge of each of them, in terms of this policy.

#### **5. GENERAL**

Notwithstanding anything contained in this policy, the company shall ensure compliance with any additional requirements as may be prescribed under an laws/ regulations or otherwise and applicable to the Company, from time to time.

#### **6. DESTRUCTION OF DOCUMENTS**

After the expiry of the statutory retention period, the preserved documents may be destroyed in such mode under any instructions approved by the department head(s). Destruction of documents as a normal administrative practice will also be followed for the records which are duplicate/ unimportant/ irrelevant.

This applies to both Physical and Electronic Documents.



## **7. COMMUNICATION AND DISSEMINATION OF THE POLICY**

For all new Employees, a copy of this shall be handed over as part of the joining documentation, along with other HR related policies. For all existing Employees and Directors, a copy of the policy shall be posted on the intranet and the web- site of the company.

## **8. AMENDMENTS**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provision of any law for the time being in force.

## Annexure 1

### Documents whose preservation shall be permanent in nature

S. No.	Nature of Document(s)
01	Registration Certificates
02	Licenses & Statutory Approvals
03	Statutory Registers required under applicable laws
04	Audited Financial statements
05	Minutes of General Meeting
06	Minutes of Board Meeting
07	Minutes of various Committee Meetings
08	Material Agreements/ Contracts
09	Orders Issued by Courts/ Statutory Bodies
10	Investment Documents/ proofs including certificates etc.
11	Any other documents as may be required to maintain permanently in terms of applicable law(s), maintained and preserved from time to time.

## Annexure 2

### Documents with preservation period of not less than eight years after completion of the relevant transactions

S. No	Nature of Document(s)
01	Books of Accounts
02	Annual Returns
03	Personal Documents
04	Insurance Policies/ Claims under various policies
05	Correspondences with Departments/ Shareholders
06	Non-statutory Registers/ Documents
07	Films, Videos, CD's, DVD's, Tapes etc.
08	Any other documents as may be required to maintain in terms of applicable law(s), maintained and preserved from time to time.