

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

### **1 Purpose**

- The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.
- The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects directors/employees wishing to raise a concern about serious irregularities within the Company.
- The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

### **2 Compliances**

- Pursuant to the provisions of Section 177 of the Companies Act, 2013, every listed company or such class or classes of companies, shall establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee.
- Pursuant to the Regulation 22 of the Listing Obligations and Disclosures Requirement it's a mandatory requirement for all listed companies to establish a mechanism called "Vigil Mechanism" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or policy.
- **Accordingly, in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015; Shri Gang Industries and Allied Products Limited, being a responsible corporate, is proposed to establish and formulate a vigil Mechanism.**

### **3. Objectives of Vigil Mechanism**

- To encourage employees to bring unethical and legal violations they are aware of to an internal authority so that action can be taken immediately to resolve the problems.

- To minimize the company's exposure to the damage that can occur when employees circumvent internal mechanisms.
- To let employees know the company is serious about adherence to codes of conduct.

## 2 **Scope of Mechanism**

This Vigil Mechanism will be applied to all units/plants of Shri Gang Industries and Allied Products Limited. The Vigil Mechanism applies regardless of the jurisdiction in which the wrongdoing occurs or is suspected to have occurred, or whether or not such wrongdoing or suspected wrongdoing occurs in the country.

## 3 **Eligibility**

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Vigil Mechanism. The Protected Disclosures may be in relation to matters concerning the Company.

## 4 **Definitions**

The definitions of some of the key terms used in the Vigil Mechanism are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

- **“Company”** means Shri Gang Industries and Allied Products Limited.
- **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of Listing Obligations and Disclosures Requirement.
- **“Rules”** means Companies (Meeting of Board and its Powers) Rules 2014.
- **“Code”** means Code of Conduct of the Company.
- **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- **“Employee”** means every employee of the company including the directors in the employment of the Company.
- **“Investigator”** means those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee.

- **“Disciplinary Action”** means any action that can be taken on the completion of/during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- **“Victim”** means an Employee or director making a Protected Disclosure under this Vigil Mechanism.

## 5 **Reportable Matters**

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

- Abuse of authority
- Breach of contract
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of company data/records
- Financial irregularities, including fraud, or suspected fraud, bribery
- Pilferation of confidential/propriety information Deliberate violation of law/regulation and illegality
- Wastage/misappropriation of company funds/assets
- Breach of Code of Conduct or Rules
- Any other unethical, biased, favored, imprudent event
- Health & Safety, environmental issues
- Any offence of material nature

## 6 **False Complaints**

While this Vigil Mechanism is intended to protect genuine Vigil Mechanism from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with malafide intentions is strictly prohibited.

Personnel who makes complaints with malafide intentions and which are subsequently found to be false will be subject to strict disciplinary action.

## 7 **Vigil Mechanism For Directors And Employees**

- To provide good and effective communication to employees which will need to be in more than one language, including a vernacular language.
- To provide complete confidentiality of the employees is maintained.

- To make sure that the Protected Disclosure i.e. person against or in relation to whom a protected disclosure has been made, is provided with a reasonable opportunity of being heard.
- To make sure that the Evidence of the Protected Disclosure is not concealed and appropriate action including disciplinary action is taken in case of attempts to conceal or destroy evidence.
- To maintain adequate and auditable documentation of all the Concerns or Complaints received and investigation working papers etc.
- Audit committee shall take suitable action against the Protected Disclosure.

## **8 Manner In Which Concern Can Be Raised**

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

However, in case the victim is a Director of the Company, he/she shall directly refer the matter to the Chairman of the Board.

Victim must put his/her name to allegations. Concerns expressed anonymously will not be investigated.

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

1. The name/details of employee, and /or outside party or parties involved;
2. The sector of the Company where it happened (division, office);
3. When did it happen: a date or a period of time;
4. Type of concern (what happened); a) Financial reporting; b) Legal matter; c) Management action; d) Employee misconduct; and/or e) Health & safety and environmental issues etc.
5. Submit proof or identify where proof can be found, if possible;
6. Who to contact for more information, if possible; and/or
7. Prior efforts to address the problem, if any.

## **9 Enquiry Mechanism**

All complaints received will be recorded and looked into. If initial enquiries by investigator indicate that the concern has no basis, or it is not a matter to be pursued

under this Vigil Mechanism, it may be dismissed at this stage and decision documented.

Where initial enquiries indicate that further investigation is necessary this will be carried through either by investigator alone or by committee nominated by the officer for this purpose. The investigation would be conducted in a fair manner, as a natural justice and equity would be followed. A written report of finding would be made

The Audit Committee shall:

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

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

## **10 Secrecy & Confidentiality**

The victim, Audit Committee and everyone involved in the process shall maintain complete confidentiality/ secrecy of the matter

- not discuss the matter in any informal/social gatherings/ meetings



- discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- not keep the papers unattended anywhere at any time
- keep the electronic mails/files under password

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

#### **11 Investigation Result**

Based on a thorough examination of findings, the committee would recommend an appropriate course of action to the chairman & Managing Director of Shri Gang Industries and Allied Products Limited. Where an improper practice is proved, this would cover suggested disciplinary action, including dismissal, if applicable, as well as preventing measure for the future. All discussion would be noted and the final report be prepared.

#### **12 Non-Retaliation/Protection**

No unfair treatment will be meted out to a victim by virtue of his/her having reported a Protected Disclosure under this Vigil Mechanism. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against victim. Complete protection will, therefore, be given to victim against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the victim right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the victim may experience as a result of making the Protected Disclosure. Thus, if the victim is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the victim to receive advice about the procedure, etc.

The identity of the victim shall be kept confidential.

Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the victim.

#### **13 Reporting and Review**

The officer shall submit a quarterly report of the protected disclosures, received and of the investigation conducted, and of the action taken to the Audit Committee of the

Board of Directors of the company.

The Audit Committee shall have power to review any action or decision taken by the officer.

**14 Display**

The Vigil Mechanism shall be uploaded on the Company's website.

**15 Amendments**

This Vigil Mechanism can be modified or repealed at any time by the Board of Directors of the Company.