



## Vigil Mechanism/ Whistle Blower Policy

### PREAMBLE

Shakambhari Group of Industries comprises of 4 major companies under the same management group i.e. Shakambhari Ispat and Power Limited, SPS Steels Rolling Mills Limited, Eloquent Steel Private Limited and Bravo Sponge Iron Private Limited (“together referred to as SGI”). Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 requires a listed company and such other class or class of companies, as maybe prescribed to establish a vigil mechanism for Directors and employees to report genuine concerns.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

### POLICY

SGI in compliance of the above requirements has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns in a prescribed manner.

The Vigil Mechanism provides for:

- (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and
- (b) direct access to the Chairperson of the Audit Committee of the Board of the Company in appropriate or exceptional cases or if there is no Audit Committee, direct access to such director as nominated by the Board for the purpose of acting as Audit Committee.

Details of the establishment of the Vigil Mechanism are made available in the Board’s Report.

### POLICY OBJECTIVES

The Whistle Blower Policy aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, 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.

### DEFINITIONS

“**Compliance Officer**” is a person 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.

“**Wrongful Conduct**” means violation of law, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety.”

“**Good faith**” – A whistle blower shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct.

“**Whistle Blower Policy or this policy**” means the Director or employees who make a Protected

Disclosure under this Policy and is assisted by the Managing Directors or the Company Secretary.

### **SCOPE**

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

- Breach of the Company's Code of Conduct
- Breach of Business Integrity and Ethics
- Breach of terms and conditions of employment and rules thereof
- Intentional Financial irregularities, including fraud, or suspected fraud
- Deliberate violation of laws/regulations
- Negligence causing substantial and specific danger to health, safety and environment
- Manipulation of Company data
- Pilferation of confidential/propriety information
- Gross Wastage/misappropriation of Company funds/assets

### **ELIGIBILITY**

All directors and Employees of the Company are eligible to make protected disclosures under the Policy in relation to matters concerning the Company.

### **Company's Code of Conduct**

The Companies has in their respective 1<sup>st</sup> Board meetings held during the financial year 2021-22 have adopted a Code of Conduct that binds all Directors and employees of the Company.

The Code of Conduct has five core principles:

1. Customer satisfaction and safety of employees is at the heart of everything the company does.
2. The Company treats its associates fairly and respectfully.
3. The Company is committed to outstanding and sustainable performance with integrity.
4. The Company strives to be a trusted manufacturer.
5. The Company aspires to be a good corporate citizen.

Breaches of the Company's Code of Conduct can lead to disciplinary action up to and including termination of employment.

### **DISCLOSURE AND MAINTENANCE OF CONFIDENTIALITY**

A whistle blower who observes or notices any unethical and improper practices or wrongful conduct in the Company may report the same to the Managing Director, Compliance Officer or the Audit Committee at their contact details mentioned below. Confidentiality of whistle blower shall be maintained to the greatest extent possible.

### **Managing Director**

Mr. Deepak Kumar Agarwal

Ph.: 033-61255200

Email: cmd@shakambharigroup.in

## **Compliance Officer**

Mr. Ashutosh Sharma

Company Secretary

Mob: 9051844486

Email: compliance@shakambharigroup.in

## **Reporting of Misconduct**

Company's Directors and employees are required to bring potential misconduct to the attention of the Company. Associates with knowledge of potential misconduct, or associates receiving a report of misconduct, must notify the Compliance Officer or Managing Director or Audit Committee or report the issue via one of the other channels described below without further disseminating the information.

Associates can report potential misconduct person or through other options that include:

1. Reporting to immediate supervisor
2. Reporting to the Human Resources representative
3. Reporting to any member of the Legal Department
4. Reporting to any Compliance Officer

Directors and Employees who report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliatory action.

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 be acknowledged with a covering letter signed by the complainant with the title as "Disclosure under Whistle Blower Policy". If the complaint is not titled as mentioned above, the disclosure would be treated as normal disclosure. All disclosures should be addressed to the Compliance Officer or to the Managing Director of the Company or to the Audit Committee in exceptional cases.

## **ACCESS TO THE CHAIRPERSON OF AUDIT COMMITTEE**

Directors and employees may also access the Chairperson of the Audit Committee, in appropriate and exceptional cases, by writing to the registered office of the Company.

## **INVESTIGATION**

All protected disclosures under this policy will be recorded and thoroughly investigated. The Compliance Officer will carry out an investigation either himself or by involving any other officer of the Company before referring the matter to the Audit Committee of the Company.

To ensure that these crucial standards of integrity are adhered to and enforced, the Company supports an open culture in which directors and employees can speak up and raise concerns. It enables directors and employees to report actual or suspected cases of misconduct without fear of retaliation. All complaints are investigated professionally, independently and with proportionality.

Investigation results are shared with the appropriate management.

Key responsibilities of Compliance Officer include:

1. Assess all allegations of misconduct
2. Guarantee fair, professional and proportionate investigations

3. Maintain confidentiality throughout the whole investigation process
4. Ensure consistency in disciplinary sanctions
5. Provide support in the identification of lessons learned to prevent similar issues arising elsewhere

Directors and Employees with knowledge of suspected misconduct should notify as should any employees receiving a second-hand report, without further disseminating the information. This helps ensuring confidentiality, preserves investigative integrity and protects the associates involved.

By handling all complaints of misconduct centrally and overseeing independent, neutral and proportionate investigations into each case, this vigil mechanism process supports the business' efforts toward making the Company a better place to work for all.

### **DECISION AND REPORTING**

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit. 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. The Investigation Reports issued will be discussed in the Audit Committee Meetings on quarterly basis. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Compliance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

### **PROTECTION**

No unfair treatment will be given 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. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

### **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 made fide, frivolous or malicious, shall be liable to be prosecuted.

### **COMMUNICATION AND RETENTION OF DOCUMENTS**

Directors and Employees shall be informed of the Policy by hosting the policy on the website of the Company.

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any law in force.

## **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 Directors and employees unless the same is not communicated in the manner described as above.

The policy as amended from time to time shall be made available at the Company's website at [www.spsgroup.co.in](http://www.spsgroup.co.in).