

# **SHYAM CENTURY FERROUS LIMITED**

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

### **1. PREAMBLE**

- 1.1. Section 177 of the Companies Act, 2013, including any amendments thereto, requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company believes in managing the conduct of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this objective, the Company has adopted 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, is a matter of serious concern for the Company and should be taken up most seriously and appropriate steps should be taken by the management. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. With the enactment of Companies Act, 2013 and also as per Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments thereto, (hereinafter also referred to as Listing Regulations) the Company is required to formulate a formal Whistle Blower Policy for directors and employees to report genuine concerns. The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.3. In terms of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, including any amendments thereto, (hereinafter also referred to as Insider Trading Regulations), the Company is required to formulate a whistle blower policy to enable employees to report instances of leak of Unpublished Price Sensitive Information (“UPSI”). The Company has adopted a code of fair disclosure and conduct (“Insider Trading Code”) as required under Insider Trading Regulations, which lays down the practices and procedures that should govern the fair disclosure of UPSI by the Company and regulate and monitor the conduct of designated persons (as defined in the Insider Trading Code) while dealing in the securities of the Company. Any actual or potential violation of the Insider Trading Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The whistle blower policy shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

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## **2. POLICY OBJECTIVES**

- 2.1. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 2.2. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct and/ or who have witnessed or have knowledge of instances of leak of UPSI or have concerns about suspected leakage of UPSI, to come forward and express these concerns without fear of punishment or unfair treatment. The purpose of this Policy is to allow the Directors and employees to raise concerns about unacceptable improper practices and/or any unethical practices and/or other genuine concerns being followed in the organization without the employees being necessarily required to inform their superiors and to create awareness amongst employees to report instances of leak of unpublished price sensitive information. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or instances of leakage of UPSI or suspected leakage of UPSI or violation of the Code of conduct and/ or the Insider Trading Code adopted by the Company. This Policy is intended to check that whenever any unacceptable/improper practice and/or any unethical practice and/or any instances of leak of unpublished price sensitive information and/ or any other genuine concern is reported by a Director or an employee, proper action is taken to check such practice/wrongdoing and the concerned Director or employee is protected / safeguarded against any adverse action and/or any discrimination and/or victimization for such reporting.
- 2.3. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- 2.4. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

## **3 The Guiding Principles**

- 3.1 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
  - 3.1.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
  - 3.1.2 Treat victimization as a serious matter including initiating disciplinary action on

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such person/(s);

- 3.1.3 Ensure complete confidentiality.
- 3.1.4 Not attempt to conceal evidence of the Protected Disclosure;
- 3.1.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- 3.1.6 Provide an opportunity of being heard to the persons involved especially to the Subject;

## **4 SCOPE**

- 4.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:
  - 1. Abuse of authority
  - 2. Breach of contract
  - 3. Negligence causing substantial and specific danger to public health and safety
  - 4. Manipulation of company data/records
  - 5. Financial irregularities, including fraud, or suspected fraud
  - 6. Criminal offence
  - 7. Pilferation of confidential/propriety information
  - 8. Deliberate violation of law/regulation
  - 9. Wastage/misappropriation of company funds/assets
  - 10. Breach of employee Code of Conduct or Rules
  - 11. Leak of unpublished price sensitive information as defined in SEBI (PIT) Regulations, as amended.
- 4.2 Through this Policy, the Company seeks to provide a procedure for all the employees of the Company to disclose any unethical and improper practice taking place in the Company for appropriate action and reporting.

## **5 Disqualifications**

- 5.1 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.
- 5.2 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.
- 5.3 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 under Company's Code of Conduct.

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## **6 DEFINITIONS**

- 6.1 **“Alleged wrongful conduct”** shall mean violation of law, infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, instances of leakage of UPSI or suspected leakage of UPSI substantial and specific danger to public health and safety or abuse of authority” .
- 6.2 **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance with guidelines of Listing Regulations and Companies Act, 2013.
- 6.3 **“Board”** means the Board of Directors of the Company.
- 6.4 **“Company”** means Shyam Century Ferrous Limited and all its offices.
- 6.5 **“Code”** means Code of Conduct for Directors and Senior Management Executives adopted by Shyam Century Ferrous Limited.
- 6.6 **“Employee”** means all the present employees and whole time Directors of the Company.
- 6.7 **“Insider Trading Code”** means Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information adopted by the Company
- 6.8 **“Protected Disclosure”** means a concern raised by an employee or group of employees or any Director of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title **“SCOPE OF THE POLICY”** with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 6.9 **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 6.10 **“Unpublished Price Sensitive Information”** means any information, relating to the company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following-
- financial results;
  - dividends;
  - change in capital structure;

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mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions.  
changes in key managerial personnel;

6.11 “**Vigilance & Ethics Officer**” means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

6.12 “**Whistle Blower**” is an employee or group of employees or any director who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

## **7 ELIGIBILITY**

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

## **8 RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES**

8.1 All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.

8.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower policy**”. Alternatively, the same can also be 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, it will not be possible for the Vigilance Officer/ Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainant(s) and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer. The Vigilance Officer shall assure that in case any further clarification is required he/she will get in touch with the complainant.

8.3 The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Chairman of the Audit Committee shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

8.4 Anonymous / Pseudonymous disclosure shall not be entertained.

All Protected Disclosures should be addressed to the Chairman of the Audit Committee.

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8.5 Protected Disclosure against the Vigilance & Ethics Officer should be addressed to the Chairman of the Audit Committee and the Protected Disclosure against the Chairman of the Audit Committee should be addressed to the Board of Directors at the registered office of the Company. The contact details of the Chairman of the Audit Committee is as under:

**Name and Address of Chairman -**

Mr. Mangi Lal Jain  
Chairman, Audit Committee  
Shyam Century Ferrous Limited  
Satyam Towers, 1<sup>st</sup> floor  
Unit no. 9B,  
3, Alipore Road, Kolkata- 700 027  
Email: mljainfts@gmail.com

8.6 On receipt of the protected disclosure the Chairman, Audit Committee on perusal of the documents will make a reference to the Vigilance Officer, who may be appointed by the Chairman, Audit Committee who 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. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

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

8.7 The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

8.8 The Audit Committee will institute a process for recording and updating the different complaints received under this mechanism from beginning to end in a Register. On receipt of Complaints a serial number will be allotted to the Complaint for easy reference.

8.9 The Audit Committee will institute a process of opening complaint wise file and will update the file regularly.

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## **9 INVESTIGATION**

- 9.1 All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 9.2 The decision to conduct an investigation by itself will not be an accusation and is to be treated as a neutral fact finding process.
- 9.3 Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 9.4 Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 9.5 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 9.6 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 9.7 Subject(s) have a right to be informed, of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- 9.8 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.
- 9.9 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.

## **10 DECISION AND REPORTING**

- 10.1 If an investigation leads the Vigilance Officer to conclude that an improper or unethical act has been committed, the Vigilance Officer shall report to the Audit Committee and the Chairman of the Audit Committee shall recommend to the Board of Directors 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

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or staff conduct and disciplinary procedures.

- 10.2 The Vigilance 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.
- 10.3 In case the Subject is the Chairman/CEO of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure, shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 10.4 A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.
- 10.5 A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

## **11 SECRECY / CONFIDENTIALITY**

- 11.1 The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:
  - 11.1.1 Maintain confidentiality of all matters under this Policy
  - 11.1.2 Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
  - 11.1.3 Not keep the papers unattended anywhere at any time
  - 11.1.4 Keep the electronic mails / files under password.

## **12 CONFIDENTIALITY & PROTECTION**

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



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- 12.2 A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 12.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 12.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 12.5 Provided, however, that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

## **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**

A whistle Blower policy cannot be effective unless it is properly communicated to employees. The company will post a copy of the same in the web site of the Company for information of all concerns.

## **15 RETENTION OF DOCUMENTS**

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

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## **16 ADMINISTRATION AND REVIEW OF THE POLICY**

The Board of Directors shall be responsible for the administration, interpretation, application and review of this policy. The Board also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

## **17 REVIEW & AMENDMENT**

This policy will be reviewed by the Board of Directors of the Company at reasonable intervals. Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time and their decision in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

## **18 EFFECTIVE DATE**

This Policy is effective from 1<sup>st</sup> April, 2019