

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

1. Preface:

- a. Section 177 of the Companies Act, 2013 requires every listed company and other prescribed classes of companies to establish a vigil mechanism for the directors and employees to report genuine concerns and grievances in such manner as may be prescribed. Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended also require formulation of a Vigil Mechanism/Whistle Blower policy for directors and employees to report genuine concerns which shall also 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. Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015 also requires a listed company to have Whistle Blower policy, which enables employees to report instances of leak of unpublished price sensitive information.
- b. The Policy shall also enable Stakeholders, directors and employees to report concerns about illegal or unethical practices, unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy including instances of leak of unpublished price sensitive information. 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.
- c. Under these circumstances, Shah Alloys Limited ("SAL" or "the Company"), being a Listed Company established a Vigil Mechanism/Whistle Blower Policy (hereinafter referred to as "Policy")

2. Purpose:

- a. The Whistle Blower Policy provides a framework and avenue for all directors, employees, business associates and all other stakeholders of Shah Alloys Limited, who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The Policy provides a channel to all the directors, employees, business associates and all other stakeholders to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or legal or regulatory requirements, leak of unpublished price sensitive information etc. for reporting in good faith, the instances of unethical/improper conduct of the company and commitment in adhering to the standards of ethical, moral and fair business practices.
- b. The Company is committed to conduct its business in fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour and by developing a culture where it is safe for all its stakeholders to report concerns about any unethical/improper practices and events of misconduct. The Policy neither releases employees from their duty of

confidentiality in the course of their work, nor it is a route for taking up a grievance about a personal situation.

3. Important Definitions

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with the Companies Act 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Code” mean Code of Conduct for Directors and Senior Management Executives adopted by Shah Alloys Ltd.

“Employee” means every employee of the Company, including the Directors in the employment and Independent Directors of the Company.

“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.

“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.

“Unethical Behaviour”: Unethical Behaviour shall mean and include:

- a. An act which does not confirm to the approved standard of social and professional behaviour.
- b. An act which leads to unethical business practices.
- c. Improper or unethical conduct.
- d. Morally offensive behaviour.

“Whistle Blower” means an Employee or a Director making a Protected Disclosure under this Policy and includes any individual, who is a stakeholder, who reports confirmed or suspected unethical practices, wrongdoings or illegal activities in the Company.

“Whistle Blower Committee” means Individuals of integrity, independence and fairness for investigating the matter as may be designated as such by the Board/Audit Committee.

4. Eligibility

All Directors, Employees, Business Associates and any other stakeholder of the company who is a part of business ecosystem are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

5. Role of the Whistle Blower

- a. The Whistle Blower’s role shall be limited to reporting the reliable information with evidentiary value and enough ground to substantiate the concern and provide appropriate supportings in the form of documentation / communication / audio / video / picture etc. They are not expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Designated Authority or the Whistle-blower Committee.

6. Assessment and Investigation:

- a. The Board/Audit Committee shall designate a Whistle-blower Committee comprising of individuals of integrity, independence and fairness for investigating the matter. All the complaints received under this policy shall be forwarded to Whistle-blower Committee in confidential manner.
- b. If the circumstances suggest detailed investigation, Whistle-blower Committee may appoint an independent agency to investigate the matter. The Whistle-blower Committee may also review the appointment of the independent agency, if requested so by the whistle blower, in case of apprehension of non-independence or conflict of interests.
- c. All complaints will be promptly and discreetly investigated, provided the allegations are reasonably clear and specific. An investigation of vague or unspecified alleged wrongdoings without verifiable evidence adduced may not be undertaken.
- d. The Whistle-blower Committee, if needed and warranted, may get in touch with the Whistle-blower to call for necessary documents in evidence. All stakeholders of the company shall have a duty to cooperate with investigations initiated under this Policy.
- e. Except to the extent required by law, details pertaining to the complaints and identity of the whistle blower shall be kept confidential.
- f. Upon completion of investigation, if the wrongful, unethical or illegal conduct is established on the part of any Subject, Whistle-blower committee shall take appropriate disciplinary action against such Subject, which could include termination of his/her services and/or association with the Company. The result of investigation shall also be notified to the Whistle-blower.
- g. The Whistle-blower committee shall submit their report to the Audit Committee giving details of the complaints / concerns raised through this channel and subsequent action taken.
- h. The Whistle-blower will be given opportunity to receive follow-up on their concern.

7. Audit Committee's Role and access to the Chairman of the Audit Committee

Audit committee shall oversee this Vigil Mechanism/Whistle Blower Policy and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in appropriate or exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard. The Whistle Blower can report, in writing, directly to the Chairman of the Audit Committee on the following email address: **gmshaikhco@gmail.com**

8. Confidentiality

The Whistle Blower, Subject, Whistle-blower Committee and every internal and external stakeholder 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 and keep the electronic mails/files under password protection.

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

9. Non-Victimization:

It is hereby declared that there will be no adverse personnel action, victimization, retaliation or discrimination against the Whistle-blower. If a Whistle-blower has been victimized, discriminated or retaliated against, he or she may lodge a written complaint to the Chairman of the Audit Committee. Such complaints shall be investigated as deemed fit by the Chairman.

If as a result of such investigations, Subject is found to have taken adverse personnel action directly or indirectly, victimized, or discriminated or retaliated against Whistle-blower, the Whistle-blower Committee may recommend action against such individual, which could include termination of his/her services with the company and / or initiation of appropriate legal action against the individual. The Chairman of the Audit Committee shall take appropriate action on the basis of the recommendation of the Whistle-blower Committee.

The above protection against victimization, retaliation or discrimination will also be available (to same extent) to stakeholders who offered evidence or made written statements or otherwise participated in the investigation process.

10. Precautions:

It may be noted that an individual who knowingly makes, frivolous, misleading or false complaints, or without a reasonable belief of the complaint, will not be protected by this Policy. This will also apply to those individuals, who make false statements or give false evidence during the investigations. Also, please note that, this policy is not a grievance redressal or incident management policy and thus no complaints of such nature shall be addressed using this policy.

In case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand.

11. Amendments:

This Policy may, from time to time, be modified, as deemed fit by the Board / Audit Committee. In any circumstance, where the terms of this Policy are inconsistent with the provisions of any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy. This Policy shall be published on the official website of the Company. Subsequent modification(s)/amendment(s) to any applicable law, rule or regulation concerning this Policy shall automatically apply to this Policy.
