

VIGIL POLICY

PREFACE-OBJECTIVE

Sharda Ispat Limited (hereinafter called as “Company”) believed in upholding professional integrity and ethical behavior in the conduct of its business. The Company has a Code of Conduct that reflects its belief and serves as a reference framework of conduct expected from everyone in the Company.

To uphold and promote these standards, the Company has formulated this Vigil Policy which serves as a mechanism for its directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal and hence to help ensure the Company continues to uphold its high standard.

SCOPE

This vigil Policy provides a secure framework to all the directors and employees of the Company to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct by providing for adequate safeguards against victimization of the person making such report. This Vigil Policy also provides for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

DEFINITIONS

Audit Committee means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the Listing agreement and the Companies Act, 2013.

Company means Sharda Ispat Limited.

SIL Compliance Committee means a Committee of persons who are nominated/appointed to conduct detailed investigation of the disclosure(s) received from the whistleblower and to recommend disciplinary action, if required.

Employee means every person on the rolls of the Company.

Good faith means an employee 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. Good faith shall be deemed to be lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

Policy means this Vigil Policy, as may be updated and amended from time to time.

Protected Disclosure means any written or anonymous communication (including email) made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

Investigation subject means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of the investigation.

Ombudsperson will be any of Executive Director, Chief Financial Officer, Company Secretary, Head of Human Resource, for the purpose of receiving all the complaints under this Policy and ensuring appropriate action. In the first instance, the Audit Committee shall appoint this Ombudsperson. The Audit Committee shall have the authority to change the ombudsperson from time to time.

Relevant Authority means Audit Committee or an ombudsperson designated by the Audit Committee.

Whistle Blower means an employee, as defined above, who has made a Protected Disclosure.

OBJECTIVES

- a. With a view to extract maximum information on activities affecting the Company, its values, philosophy, principles and beliefs including violations of legal or regulatory requirements, incorrect or misrepresentation of financial statements, reports etc., it is proposed to bring into effect detection and prevention of any act or otherwise indulged by any employee, which is detrimental and/or jeopardizing our organizational value systems, across value SIL.
- b. To provide appropriate avenues to employees to bring to the attention of the management or express any issue / potential concern which is perceived to be in violation or in conflict with the corporate values and business principles, the vigil mechanism is being instituted. The scope of activities perceived to be in violation or in conflict with the corporate values and business principles is annexed as **Appendix 1** to this policy.
- c. This will act as a force multiplier to detect/ investigate any observations made by the whistle blower and protection of whistle blower from retaliation.
- d. This policy aims to protect the reputation and wealth/ assets of the Company from loss or damage, resulted from suspected or confirmed incidents of dishonest behavior/ fraud/ misconduct/ willful negligence.
- e. It will provide an opportunity to employees to report any dishonest behaviour/ fraud/ misconduct/ willful negligence/ suspicious activity/ critical information/ evidence,

violations of legal or regulatory requirements, incorrect or misrepresentation of financial statements, reports etc.

REPORTING RESPONSIBILITY

- a. It is the responsibility of all employees to raise concerns about dishonest behaviour/ misconduct/willful negligence/ violation of professional conduct or suspended misconduct/ violations of legal or regulatory requirements, incorrect or misrepresentation of financial statements, reports etc.
- b. Employees reporting any incident of dishonest behaviour/ misconduct/ wilful negligence/ violation of professional conduct or suspected misconduct/ violations of legal or regulatory requirements, incorrect or misrepresentation of financial statements, reports etc. should supplement the observation with necessary facts and evidence.
- c. The complaint/ process should not be merely used as a medium to settle personal scores.
- d. 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.

MANNER IN WHICH CONCERN CAN BE RAISED

- a. Employees can make Protected Disclosure to the Chairman (Audit Committee) (hereinafter referred to as “relevant authority”), as soon as possible but not later than 60 days after becoming aware of the same.
- b. For the purpose of providing the protection to the Whistle Blower, it is preferred that the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- c. Protected Disclosures should be reported in writing (including email) so as to ensure a clear understanding of the issues raised and should either be typed or written in legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- d. The Protected Disclosure should be forwarded under a Covering Letter which shall preferably bear the identity of the Whistle Blower. The relevant authority shall detach the Covering Letter and forward only the Protected Disclosure to the Ombudsperson for investigation.
- e. The Protected Disclosure shall contain details as specified in **Appendix 2**.
- f. In case of letter, the disclosure should be sealed in an envelope marked “Whistle Blower” and addressed to the relevant authority. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific

information as possible to allow for proper assessment of the nature and extent of the concern.

- g. All Protected Disclosures concerning Financial / Accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- h. In respect of all other Protected Disclosures, those concerning the employees at the levels of Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the ombudsperson designated by the Audit Committee for the same of the Company. However direct access to the Chairperson of the Audit Committee is also allowed in exceptional cases.
- i. If a Protected Disclosure is received by any Executive of the Company other than relevant authority, the same should be forwarded to the respective authority for further appropriate action.
- j. If initial enquiries by the relevant Authority indicate that the concern has no basis, or it is not a matter to be investigated pursuant to this Policy, it may be dismissed at that stage and the decision shall be documented and communicated to the Whistle Blower whose identity is known.
- k. Where initial enquiries indicate that further investigation is necessary, the investigation would be conducted by SIL Compliance Committee in a fair manner, as a neutral fact-finding process and without presumption of guilt or wrong doing. A written report of the findings would be made and presented to Audit Committee.
- l. Name of the Whistle Blower shall not be disclosed to the Audit Committee.
- m. The Relevant Authority shall:
 - 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, and if so, the outcome thereof.

ROLE OF RELEVANT AUTHORITY

1. To record all complaints received from employees and third parties on suspected incidents of fraud/misconduct/ dishonest behaviour.
2. To conduct investigations to identify the facts/ details about the reported incident and identify the perpetrator. A report will be prepared and put up to the Audit Committee for further directions.
3. To ensure the investigation will be completed within 30 working days of initiation.
4. To suggest corrective action and measures to prevent recurrence of such incidents.
5. To ensure any information regarding the identity of the whistle blower be kept secret.
6. To retain all protected disclosures received along with the results of investigation relating thereto for a minimum period of 7(seven) years.

SAFEGAURD TO WHISTLE BLOWER

1. Complete anonymity shall be maintained for the person reporting the misconduct/ violation of professional conduct or suspected misconduct/ violations.
2. No employee who in good faith reports a violation/ misconduct shall suffer harassment, retaliation or adverse employment consequences.
3. An employee who retaliates against someone who has reported a violation in good faith is subject to disciplinary action upto and including termination of employment.
4. Allegations that are found to be fabricated, malicious and devoid of any merits shall be viewed seriously. The relevant authority may take suitable action against the concerned Whistle Blower(s) including reprimand.

AMENDMENT

SIL reserves the right to amend or notify 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 the employees or directors in writing.

EFFECTIVE DATE

This Policy is effective from 30th May, 2015.

VIOLATION

The Company expects total compliance of this policy, violation, if any will be subject to disciplinary action including termination.

POLICY POWER

Human Resource would be responsible for maintaining and carrying out subsequent modifications in accordance with the applicable regulations.

Appendix 1: Scope of Activities Covered

1. Misappropriation of assets
2. Embezzlement of Money/ Assets
3. Pilferage of confidential/ propriety information
4. Financial fraud
5. Espionage
6. Corruption- a breach of trust in the performance of official duties
7. Accepting bribes
8. Insider Trading
9. Abuse of position/ authority
10. Disclose of confidential Information
11. Manipulation of Records
12. Inappropriate Relationships
13. Unethical/unbecoming behaviour
14. Deliberate deception to help or conceal the fraud/ violation
15. Any dishonest behaviour having serious implications for company's financial outcomes, human resources and community standing.

Appendix 2: Details to be provided while making Protected Disclosure

To the extent possible, the Protected Disclosure to include the following:

1. Name and contact details of employee
2. Division/ department/ location of the Company where it happened or is likely to happen.
3. When it happen or is likely to happen (date or period of time)
4. Type of concern
 - a. Financial Reporting
 - b. Legal matter
 - c. Employee misconduct
 - d. Health, safety and environmental issues
 - e. Others (Please specify)
5. Submit proof or identity where proof can be found, if possible
6. Who to contact for more information, if possible
7. Prior efforts to address the problem, if any