

2.9 VIGIL MECHANISM / WHISTLE BLOWER POLICY



VIGIL MECHANISM / WHISTLE BLOWER POLICY

CIN: U31401TG2010PLC069777

DOCUMENT VALIDATION NOTE

Shirdi Sai Electricals Limited, incorporated under the provisions of the Companies Act 1956, and having its Registered Office situated G Pulla Reddy Sweets Building, 3rd Floor, # 6-3-8879/B, Greenland Road, Begumpet, Hyderabad – 500016, Telangana (the Company), has formulated and adopted this Vigil Mechanism / Whistle Blower Policy in terms of Section 177(9) of the Companies Act 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As per the provisions of the Companies Act, 2013, the following class of companies shall establish vigil mechanism:

Every listed companies;

- i. Every other company which accepts deposits from the public;
- ii. Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50.00 (Fifty) Crores.

As the Company's borrowings from banks and public financial institutions exceeds Rs. 50 crores, Vigil Mechanism has been established.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of its business operations. A vigil mechanism provides a channel to employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or any Policy of the Company.

Accordingly, on the recommendation of the Audit Committee, this Policy was approved by the Board of Directors of the Company at its meeting held on 30.09.2023, and deemed to have come into effect from 30.09.2023.

TITLE	PARTICULARS
Version	2.0
Reviewing Authority	Audit Committee of Directors
Approving Authority	Board of Directors of the Company
Document Status	Approved
Effective date	30.09.2023
Review cycle	As recommended by the Audit Committee.

SHIRDI SAI ELECTRICALS LIMITED
VIGIL MECHANISM / WHISTLE BLOWER POLICY

CONTENTS

S.NO.	CONTENT DESCRIPTION	PAGE NO.
I.	INTRODUCTION	63
II.	OBJECTIVE	63
III.	COVERAGE OF THE POLICY	63
IV.	DEFINITIONS	63
V.	MANNER OF RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES	64
VI.	INVESTIGATION	65
VII.	DECISION AND REPORTING	66
VIII.	SECRECY/CONFIDENTIALITY	66
IX.	PROTECTION	67
X.	ACCESS TO THE CHAIRMAN OF THE AUDIT COMMITTEE	67
XI.	NOTIFICATION AND COMMUNICATION	67
XII.	RETENTION OF DOCUMENS	68
XIII.	ADMINISTRATION AND REVIEW OF THE POLICY	68
XIV.	AMENDMENTS	68
XV.	ACKNOWLEDGEMENT	68

I. INTRODUCTION

1.1. Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 require that every listed company or the company which accepts deposits from the public or the company which have borrowed money from banks and public financial institutions in excess of Rupees Fifty Crores or the company which is required to constitute an audit committee shall establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The 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 in appropriate or exceptional cases.

1.2. As per Rule 7 (2) of the Companies (Meetings of the Board and its Powers) Rules, 2014, the companies which are required to constitute an audit committee shall oversee the vigil mechanism through the committee 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.

1.3. As per Rule 7 (5) of the Companies (Meetings of the Board and its Powers) Rules, 2014, in case of repeated frivolous complaints being filed by a director or an employee, the audit committee or the director nominated to play the role of audit committee may take suitable action against the concerned director or employee including reprimand.

1.4. In compliance with the above, the following mechanism / policy is therefore formulated by Shirdi Sai Electricals Limited.

II. OBJECTIVE

2.1. A vigil mechanism / whistle blower policy provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

2.2. The mechanism / policy neither releases employees/directors from their duty of confidentiality in the course of their work nor is it a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general or for taking up a grievance about a personal situation.

III. COVERAGE OF THE POLICY

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, breach of contract, financial irregularities including fraud or suspected fraud, violation of code of conduct or company rules, manipulations of company data/records, negligence causing substantial or specific danger to public health and safety, criminal offence, perforation of confidential/propriety information, deliberate violation of law/regulation, misappropriation of company funds/assets, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

IV. DEFINITIONS

4.1. "Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

4.2. "Audit Committee" means the Committee constituted by the Board of Directors of the Company in accordance with the guidelines of the Companies Act, 2013.

4.3. "Board" means the Board of Directors of the Company.

4.4. "Company" means the Shirdi Sai Electricals Limited and all its offices.

4.5. "Employee" means every employee and Director(s) of the Company.

4.6. "Vigilance Officer" means an officer of the Company nominated by the Chairman of the Company 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.

4.7. "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity with respect to the Company. However, the Protected Disclosures 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.

4.8. "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.

4.9. "Whistle Blower" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

V. MANNER OF RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

5.1. 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.

5.2. 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". If the complaint is not super scribed and closed as mentioned above it will not be possible for the 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 and the complainants are advised neither to write the name /address of the complainant on the envelope nor to enter into any further correspondence with the vigilance officer / audit committee. The vigilance officer assures that in case any further clarification is required he would contact the complainant.

5.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

5.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer / Chairman of Audit Committee / Executive Director / Chairman shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.

5.5. All Protected Disclosures should be addressed to the Vigilance Officer of the Company. The contact details of the Vigilance

Officer is as under: -

Name and Address of Vigilance Officer –

Mrs Madhusree Vemuru, General Counsel & Chief Sustainability Officer,
Shirdi Sai Electricals Limited,
Begumpet, Hyderabad –500016, Telangana.
Email: madhusree.v@ssel.in

5.6. Protected Disclosure against the Vigilance Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman / Executive Director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman, Executive Director and the Chairman of the Audit Committee are as under:

Name and Address of Chairman –

Mr. Visweswara Reddy Narreddy
Shirdi Sai Electricals Limited,
Begumpet, Hyderabad –500016, Telangana.

Name and Address of Executive Director –

Mr. Sharat Chandra Kolla
Shirdi Sai Electricals Limited,
Begumpet, Hyderabad – 500016, Telangana.

Name of Chairman of Audit Committee –

Mr. Vikram Ravindra Mamidipudi

5.7. On receipt of the protected disclosure the Vigilance Officer / Chairman / Executive Director / Chairman of the Audit Committee 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. Facts of the matter;
- 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 Officer / Executive Director for processing the complaint.
- e. Findings of the Audit Committee;
- f. The recommendations of the Audit Committee / other action(s).

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

VI. INVESTIGATION

6.1. All protected disclosures under this policy will be recorded by way of signed minutes 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.

6.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

6.3. 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.

6.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

6.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.

6.6. 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).

6.7. 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.

6.8. 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.

6.9. 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 and as applicable.

VII. DECISION AND REPORTING

7.1. If an investigation leads the Vigilance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Audit Committee shall recommend to the Management 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 or staff conduct and disciplinary procedures.

7.2 In case the Subject is the Chairman / Executive Director 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.

7.3 If the report of investigation is not to the satisfaction of the complainant, the complainant has been right to report the event to the appropriate legal or investigating agency.

7.4 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.

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

VIII. SECRECY/CONFIDENTIALITY

8.1. The complainant, Vigilance officer, Members of Audit committee, the Subject and everybody involved in the process shall:

- Maintain confidentiality of all matters under this Policy
- Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

- Not keep the papers unattended anywhere at any time
- Keep the electronic mails / files under password

IX. PROTECTION

9.1. 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.

9.2. 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.

9.3 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 Whistleblower, 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.

9.4 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9.5 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.

X. ACCESS TO THE CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access the 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.

XI. NOTIFICATION AND COMMUNICATION

All departmental heads are required to notify and communicate the existence and contents of this policy to the employees of their department. Every departmental head shall submit a certificate duly signed by him to the Vigilance Officer that this policy was notified to each employees of his department. The new employees shall be informed about the policy by the Personnel department. This policy as amended from time to time shall be made available at the Website of the Company www.ssel.in.

XII. RETENTION OF DOCUMENTS

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

XIII. ADMINISTRATION AND REVIEW OF THE POLICY

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

XIV. AMENDMENTS

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

XV. ACKNOWLEDGEMENT

The following is the specimen format of acknowledgment on receipt of a copy of this policy to be obtained from employees:

ACKNOWLEDGEMENT AND AGREEMENT REGARDING THE VIGIL MECHANISM/WHISTLE BLOWER POLICY

This is to acknowledge that I have received a copy of the Company's Vigil Mechanism/Whistle Blower Policy. I understand that compliance with applicable laws and Company's Code of Conduct is important and as a Company, the integrity of the financial information of the Company is paramount. I further understand that the Company is committed to a work environment free of retaliation whenever an employee makes a good faith report regarding such concerns. Accordingly, I specifically agree that to the extent that I reasonably suspect there has been a violation of applicable laws and Company's Code of Conduct including any retaliation related to the reporting of such concerns, I will immediately report such conduct in accordance with Company's Vigil Mechanism/Whistle Blower Policy. I further agree that I will not retaliate against any employee for reporting a reasonably suspected violation in good faith.

I understand and agree that to the extent I do not use the Vigil Mechanism/Whistle Blower Policy, the Company and its officers and directors shall have the right to presume and rely on the fact that I have no knowledge or concern of any such information or conduct.



ACKNOWLEDGEMENT AND AGREEMENT REGARDING THE VIGIL MECHANISM/WHISTLE BLOWER POLICY

Employee Signature

Employee Name: _____

Employee No: _____

Date: _____
