

# Employee Guidelines & Procedures

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## VIGIL POLICY

### **1. OBJECTIVE OF POLICY**

The company has to comply with different laws which are applicable to it and also follow company's policies and procedures. This ensures full compliance with law and adoption of best practices which in turn adds value to stakeholders. Where violations thereto are not addressed, the company and directors would have to face governmental investigation, prosecution, fine & penalties and loss of credibility. Consequently stakeholders' value declines. To avoid these, the company needs to establish a mechanism that facilitates easy reporting of any violation / potential violation. Employees must be able to raise concerns regarding these violations easily and freely without any retaliation.

The Section 177(9) of Companies Act 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 provides for compulsory establishment of vigil mechanism for specified companies. Since the company is covered under the said requirement, the Board adopted this "Vigil Policy" (hereinafter "policy" / "mechanism"). The policy is administered by the Audit Committee (hereinafter "committee") as per the said provisions

### **2. Purpose**

- 2.1 To encourage the employees including outsourced, temporary and contract personnel, ex-employees to report without any fear – any unethical behaviour, malpractices, wrongful conduct, fraud, violation of companies policies & values and violation of law.
- 2.2 Establish a mechanism for reporting and consequential investigation on the reported issue, so as to build and strengthen a culture of transparency and trust within the organization.

### **3. Scope & Applicability**

- 3.1 This policy is applicable to all employees of M/s Xindia Steels Limited including outsourced, temporary and contract personnel, ex-employees
- 3.2 All employees are encouraged to report any kind of misuse of company's properties, mismanagement or wrongful conduct prevailing in the company, which the Whistle Blower in good faith believes and evidences to any of the following:
  - 3.2.1 Violation of any law/regulation/policy which results in corruption, bribery, theft, fraud, coercion and wilful omission.
  - 3.2.2 Mismanagement or misappropriation of company's funds/assets.
  - 3.2.3 Manipulation of company's data and records.
  - 3.2.4 Violation to company's policies including the Code of Conduct.
  - 3.2.5 Any activity which has substantive danger to public health and safety.
  - 3.2.6 Act of discrimination or sexual harassment.

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### 4. PROCEDURE / MECHANISM

4.1 All complaints in written format or through email with complete related evidence may be sent by complainant to the audit committee of the company, using the standard template available on the website of the company (*Refer "Vigil Mechanism - Annexure I" available on the website of the company*)

### 5. General instruction for complaint:

5.1 The complaint must bring out the clear understanding of the issue which is reported.

5.2 The complaint should be based on actual fact and not hearsay.

5.3 The complaint must contain as much quantitative and supporting facts so that proper investigation can take place.

5.4 The complaint should not be conclusive / judgemental in nature.

### 6. The following complaints are not encouraged:

6.1 Which are illegible, if hand written;

6.2 Which are vague

6.3 Which are trivial or frivolous;

6.4 Matters which are pending before the court of law, Tribunals or any other authority

6.5 Matters after the expiry of one year from the date on which they have occurred.

6.6 Matters which are not against the interest of the company or which are out of the preview of the Company.

### 7. All complaints shall be addressed to the Chairman of audit committee

### 8. The Audit Committee will be responsible for the following:

8.1 To follow rule of natural justice

8.2 To avoid conflict of interest

8.3 To conduct enquiry / investigation in fair manner.

8.4 To ensure complete fact finding of the reported matter.

8.5 To conduct investigation / enquiry on a neutral basis, without perception of any guilt

8.6 To record proceedings

8.7 To maintain confidentiality

8.8 To maintain anonymity of complainant or other employees from whom information is called for

8.9 To give a report on the matter being investigated to the Board.

8.10 To recommend to the Board, appropriate course of action, if any required.

8.11 To ensure the complainant is not victimized

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## 9 The audit committee shall have the following powers:

- 9.1 To record / reject recording complaints made under this policy
- 9.2 To take action against complainant if the complaint is false and malicious in nature
- 9.3 To call for further information from the complainant / accused / other employees
- 9.4 To summon appearance of person(s) against whom complaint is made ("accused")
- 9.5 To hear the complainant's submissions separately
- 9.6 To waive the appearance of the complainant
- 9.7 To remove anonymity of the complainant
- 9.8 To require the accused / complainant to produce affidavit
- 9.9 To grant time for submission of documents and information – to the accused and complainant.
- 9.10 To recommend appropriate actions to the board upon outcome of the enquiry / investigation.

## 10 ACTIONS

The Audit Committee may recommend any action to the board, including:

- 10.1 Warning/suspension/dismissal
- 10.2 Withholding promotion or increment or bonus
- 10.3 Demotion
- 10.4 Termination after due enquiry
- 10.5 Legal suit

## 11 PROTECTION TO THE COMPLAINANT

- 11.1 The complainant's identification shall be kept confidential at all time, except where audit committee requires otherwise
- 11.2 Complainant's submissions shall be heard separately, except where audit committee requires otherwise
- 11.3 Where there is a likelihood of the accused recognizing complainant, the audit committee shall make immediate recommendations to the Board for avoiding Victimization
- 11.4 For avoiding victimization, audit committee may impose conditions on the Accused (either during the investigation or after completion of the same). The audit committee may also specify additional actions if such conditions are Violated

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The above mentioned list is illustrative and not exhaustive.

Once there is a reasonable suspect that any of the above mentioned violation has occurred or is occurring or is about to occur, the same shall be reported at the earliest – as per the procedure provided in this policy. Complainant has no authority to conduct or participate in any investigating activity unless authorized specifically.

**12 This Policy can be modified time to time to full fill the requirement of the law, also organisation**



**Director & Chief Executive Officer  
Alex P J**

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## VIGIL MECHANISM - ANNEXURE I

### TEMPLATE FOR REPORTING VIOLATIONS

**To**

Mr./ Ms. \_\_\_\_\_  
The Chairman of Audit Committee,  
Xindia Steels Limited,  
The Estate, 10th Floor  
121, Dickenson Road  
Bangalore 560042  
Ph. No: \_\_\_\_\_  
Email id: \_\_\_\_\_

**Violation details:**

- a. The aspect of the Vigil Policy that has been violated?
- b. Individual or function or department who has violated?

**Facts:**

- a. Description of the violation which has occurred.
- b. Supporting facts or information.

Date: \_\_\_\_\_

Location: \_\_\_\_\_

Name of the person reporting (optional): \_\_\_\_\_

Designation (optional): \_\_\_\_\_

Contact information (optional): \_\_\_\_\_