



SAMRAT FORGINGS LIMITED

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

Preface

Section 177 of the Companies Act, 2013 provides for a mandatory requirement to establish a vigil mechanism for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy.

The Securities and Exchange Board of India (Listing Obligations and Listing Requirements) Regulations, 2015 (hereinafter referred as SEBI (LODR) Regulations, 2015) provides for a mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances to unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct.

Accordingly, this Whistle Blower Policy and Vigil Mechanism ("the Policy and Mechanism") has been formulated with a view to provide a mechanism for directors and employees of the Company to approach the Ethics Counselor or the Chairman of the Audit Committee of the Company.

Definitions

The definitions of some of the key terms used in this Policy are given below.

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with clause 18 of SEBI (LODR) Regulations, 2015.
- b. "Employee" means every employee of the Company including trainee and persons on contract (whether working in India or abroad), also including the Directors in the employment of the Company.
- c. "Code" means the Code of Conduct of the Company.
- d. "Investigators" means those persons authorized, appointed, consulted in respect of a protected Disclosure and includes the auditors of the Company and the police.
- e. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- f. "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.

g. “Whistle Blower” means a Director or an Employee making a Protected Disclosure under this Policy.

h. “Vigilance and Ethics Officer” means an officer appointed to receive Protected Disclosure from Whistle Blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

3. Scope

a. This Policy is an extension of Code of Conduct of the Company.

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 Vigilance and Ethics Officer or Chairman of the Audit Committee or the Investigators.

c. Protected Disclosure will be appropriately dealt with by the Vigilance and Ethics Officer or Chairman of the Audit Committee, as the case may be.

4. Applicability of Policy

The policy extends to staff members and all directors and employees and other category of people covered under the definition of whistle blower, who acting in good faith and in the best interest of the company reports the matter including but not limited to breach of Company’s code of conduct, breach of integrity and ethical practices, any financial or legal fraud including suspected fraud, gross or willful negligence causing legal, financial or environmental damage, breach of confidential information of the Company.

If any Whistle Blower observes malpractices or events mentioned herein below, the staff member may without any fear of retribution blow the whistle and raise an alarm.

Unethical or improper activity/Malpractices and events:

1. Breach of Company’s Code and Policy.
2. Abuse of authority resulting in violation of Code including but not limited to:
 - a. Discrimination
 - b. Harassment
 - c. Conflict of interest (abuse or wrongful non-disclosure)
 - d. Transactions with related parties (abuse or wrongful non-disclosure)
 - e. Securities transactions (use or leakage of market sensitive information/breach or SEBI regulations).
 - f. Illegal payments.
3. Manipulation of Company data/records.
4. Financial irregularities, including fraud, or suspected fraud.
5. Deliberate violation of law/regulations.
6. Any unlawful act whether Criminal or Civil
7. Any matter or activity on account of which the interest of the Company is affected.

5. Eligibility

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to any matters concerning the Company.

6. Disqualifications

- a. While it shall 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.
- b. 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.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

7. Procedure

- a. All Protected Disclosures concerning financial/accounting matters should be addressed to the Vigilance and Ethics Officer or the Chairman of the Audit Committee of the Company for investigation.
- b. 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 Vigilance and Ethics Officer of the Company.
- c. The contact details of the Chairman of the Audit Committee are as under:

Sh. Ajay K Arora,
#406, First Floor, Sector 15-A,
Chandigarh - 160015
Phone no : +91-9257240444
E-MAIL: info@samratforgings.com

The contact details of the Vigilance and Ethics Officer are as under:

Sh. Rakesh M. Kumar,
Managing Director
#406, First Floor, Sector 15-A,
Chandigarh- 160015
Phone: +91-9257240444, E-MAIL: info@samratforgings.com

- d. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Vigilance and Ethics Officer, the same should be forwarded to the Company's Vigilance and Ethics Officer or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- e. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in legible hand writing in English, Punjabi, Hindi or in the regional language of the place of employment of the Whistle Blower. Alternatively, Protected Disclosures can also be reported orally, which will normally be

documented by the Vigilance and Ethics Officer/ Chairman of the Audit Committee accessing the voice mail by a written transcription of the oral report.

f. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee / Vigilance and Ethics Officer, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

g. 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.

h. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

8. Investigation

a. All Protected Disclosures reported under this Policy will be recorded and thoroughly investigated by the Vigilance and Ethics Officer/ Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.

b. The Vigilance and Ethics Officer/ Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.

c. The decision to conduct an investigation taken by the Vigilance and Ethics Officer/Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

d. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

f. Subjects shall have a duty to co-operate with the Vigilance and Ethics Officer/Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

g. Subjects have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer/ Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing

against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

j. Subjects have a right to be informed of the outcome of the investigation. 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.

k. The investigation shall be completed normally within 45 days of receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.

9. Protection

a. 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.

b. 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.

c. The identity of the Whistle Blower shall be kept confidential to the extent possible and Permitted under law.

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

10. Investigators

a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Vigilance and Ethics officer/Audit Committee when acting within the course and scope of their investigation.

b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Vigilance and Ethics officer, as the case may be, which establishes that:

i. the alleged act constitutes an improper or unethical activity or conduct, and

ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

11. Decision

If an investigation leads the Vigilance and Ethics officer/ Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics officer/ Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Ethics officer/ Chairman of the Audit Committee 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.

12. Reporting

The Vigilance and Ethics 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.

13. 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 minimum period of three years.

14. Amendment

The Company reserves its right to amend or modify 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 unless the same is notified to the Employees in writing.