

VIGIL MECHANISM POLICY

PREAMBLE

- The Companies Act, 2013 under the provisions of Section 177 and Regulation 22 of SEBI(LODR) Regulations,2015 has mandated that “every listed company or such class or classes of Companies , as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.” Further such 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.”
- Pursuant to the provisions of Section 177 (9) &(10) read with Rule 7 of Chapter XII of the Companies Act, 2013, the Company has set up and adopted the following Vigil Mechanism which lays down the principles and standards governing the management of grievances and concerns of employees and directors of the Company and shall be overseen by the Audit Committee.

1.Objectives :

- To encourage employees to bring genuine ethical and legal concerns, violations and suspected fraudulent behavior of which they are or become aware of, to an internal authority so that action can be taken immediately to resolve the problem.
- To minimize the Company’s exposure to the damage
- To let employees know that the Organization is serious about adherence to Code of Conduct of Policy.

2. Scope:

This policy covers malpractices and events which have taken place suspected to have taken place , misuse or abuse of authority , fraud or suspected fraud , violation of Company’s Rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activities on account of which the interest of the Company is affected.

However, the mechanism does not release the employees from their duty of confidentiality in the course of their work and nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

ELIGIBILITY:

All employees and Directors of the Company are eligible to make disclosures under the mechanism in relation to matters concerning the Company.

PROCEDURE:

1. Where any Director or employee finds or observes any misuse of funds, internal theft, frauds etc., then he must within a period of 30 days of occurrence of event or on the date on which he comes to know, report in writing their compliant/ grievance. The Complainant shall address

2. The Committee will maintain confidentiality of the complainants to protect their identity.
3. The Committee will carry out the initial investigation . The decision to undertake the investigation by the Committee shall not by itself be regarded as the acceptance of the accusation by the committee. It is neutral fact finding process to ascertain the truth of the accusation.
4. The Committee if its deems fit, may call for further information from the complainant.
5. The Committee shall carry out detailed investigation if the reported disclosure is found to be correct.
6. The Employer/Director against whom disclosure has been reported shall :
 - Co-operate with Committee or any person appointed in this regard.
 - Have a right to consult any person of his choice other than members of the Committee and / or complainant.
 - Not interfere in investigations conducted by Committee.
 - Not withhold, tamper or destroy any of evidence.
 - Unless otherwise restricted, be given an opportunity to respond to material findings.
 - Not threaten, influence or intimidate complainant or any of witnesses.
 - Have a right to know the outcomes of investigation.
7. The investigations shall be completed within a period of 60 days.

DECISION AND REPORTING:

If the outcome of the investigation leads to a conclusion that, any improper or unethical act has been committed, then the Committee must record the same and recommend the complaint along with the findings of the Committee upon investigation to the management for the disciplinary or corrective action to be taken against the concerned employee/director. The decision of the Committee shall be recorded with reasons and a copy of the same shall be forwarded to the complainant and the subject.

If the decision is not to the satisfaction of the Complainant , then he has the right to report the event to the appropriate legal or investigating authority. However, if the complainant makes false or wrong allegations then disciplinary actions in accordance with the rules, procedures and policies of the Company shall be taken against the complainant as the Committee may decide.

PENALTIES:

If the alleged fraud or misconduct is proven after investigation, the Committee may impose such penalty/fine as it may deem fit depending upon nature of fraud or unethical act done by the person.

SECRECY AND CONFIDENTIALITY :

The Committee as well as complainant shall :-

- Maintain confidentiality of all matters under this policy.
- Discuss only to the extent or with the persons as required under this policy for completing the process of investigation.
- Not keep the papers unattended anywhere at any time.

- Keep the electronic mails / files under password and safe custody.

PROTECTION:

- No unfair treatment will be meted out to a complainant by virtue of his/her having reported a protected disclosure under this policy . The Company , as a policy, condemns any kind of discrimination , harassment, or any other unfair employment practice being adopted against complainants.
- The Company will take steps to minimize difficulties which he complainant may experience as a result of making the disclosure.
- A complainant ,au report any violation of the above clause to the chairman of the Committee, who shall investigate into the same and recommend suitable action to the management
- Any other employee assisting in the said investigation shall also be protected to the same extent as the complainant .

DISPLAY OF MECHANISM ON WEBSITE :

The mechanism herein set up cannot be effective unless it has been communicated to eligible person described herein above. For this purpose , the Company shall display it on its website and shall also disclose in its Board's Report.

RETENTION OF DOCUMENTS:

The evidences , documents received by the Committee in due course of investigation shall be preserved for a period of three (3) years or such period as may be specified by law in force in this regard from time to time.

AMENDMENTS :

This policy can be modified at any time by the Board of Directors of the Company to meet the requirements of legislation and the needs of organization.

For Sree Rayalaseema Hi-Strength
Hypo .td.,

V. Surekha
(V. Surekha)
Company Secretary