

WHISTLE BLOWER POLICY

1. PURPOSES

- 1.1 The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Whistle Blower Policy provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ CEO/ Chairman of the Audit Committee in exceptional cases.
- 1.2 This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

2. PREFACE

- 2.1 Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, provides for a mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for directors, stakeholders, employees and their representatives to freely communicate their concerns about illegal or unethical practices/behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Section 177 of the Companies Act, 2013 requires certain classes of companies to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.

Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee of the Company.

- 2.2 The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior and to provide necessary safeguards for protection of employees from reprisals or victimisation, for raising complaints / concerns in good faith and for the benefit of the organization.
- 2.3 The company therefore formulates this mechanism to establish a Whistle Blower Policy.
- 2.4 This Policy allows for disclosure / submission of complaints/ concerns by employees and/or Directors internally, without fear of reprisal, discrimination or adverse employment consequences, and also permits the Company to address such disclosures or complaints by taking appropriate action, including but not limited to, disciplining or terminating the employment and/or services of those responsible.
- 2.5 The purpose of this policy is to provide a framework to protect employees wishing to raise a concern about serious irregularities within the Company.

3. SCOPE

Any kind of malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, Questionable Accounting or Auditing Matters, fraud or suspected fraud, violation of company rules, manipulations, bribery, corruption, employee misconduct, negligence causing risk to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected shall be promptly reported by the employees / Directors through the vigil mechanism in accordance with this policy.

Employees and Directors will often be the first to realize instances of impropriety and the facts relating to misstatements in the Company's financial statements and other wrongdoing and hence they have an obligation to report any of the Reportable Matters, of which they are or become aware of, to the Company.

This Policy is intended to encourage and enable Personnel to raise serious concerns within the Company prior to seeking resolution outside the Company.

This Policy is not, however, intended to question financial or business decisions taken by the Company that are not Reportable Matters nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. Further, this Policy is not intended to cover career related or other personal grievances.

4. DEFINITIONS

- 4.1 "The Company" means SANGHVI FORGING AND ENGINEERING LIMITED.
- 4.2 "Audit Committee" means the Audit Committee of the Board constituted by the Board of Directors of the Company in accordance with the provisions of Section 292 A of the Companies Act, 1956 or Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with Stock Exchanges.
- 4.3 "Board" Means the Board of Directors of the Company.
- 4.4 "Employee" or Personnel means any permanent employee/s and Director/s of the Company
- 4.5 "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 under the title "SCOPE OF THE POLICY" with respect to the Company. It 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.
- 4.6 "Questionable Accounting or Auditing Matters" include, without limitation, the following:

- › fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- › fraud or deliberate error in the recording and maintaining of financial records of the Company;
- › deficiencies in or non-compliance with the Company's internal accounting controls;
- › misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- › deviation from full and fair reporting of the Company's financial condition.

- 4.7 "Reportable Matters" means any matters covered under the scope of the policy.
- 4.8 "Vigilance and Ethics Officer" means an officer appointed to receive protected disclosures from employees, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the employees the result thereof.

5. FALSE COMPLAINTS

While this Policy is intended to protect employees and Directors raising genuine complaints / concerns from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with mala fide intentions is strictly prohibited. Personnel and/or Director who makes complaints with mala fide intentions and which would subsequently found to be false will be subject to strict disciplinary action.

6. COMPLAINT REPORTING AND DISPOSAL MECHANISM

- 6.1 An employee should raise Reportable Matters with someone who is in a position to address them appropriately. In most cases, a Personnel's supervisor, manager or point of contact is in the best position to address an area of concern. Supervisors, managers or points of contact to whom Reportable Matters are raised shall report the same immediately to the Vigilance and Ethics Officer or Chairman of the Audit Committee.

Notwithstanding the aforesaid, Personnel can lodge a complaint in one of the following ways:

- › by contacting the Chairman of the Audit Committee, as appointed from time to time Email:
- › by contacting the Vigilance and Ethics Officer or anyone in management whom the Whistleblower is comfortable approaching.
- › by sending a complaint letter in a sealed envelope marked “Private and Confidential” to the Vigilance and Ethics Officer.

6.3 Although an employee is not required to furnish any more information than what he/she wishes to disclose, it is essential for the Company to have all critical information in order to enable the Company to effectively evaluate and investigate the complaint. The complaint or disclosure must therefore provide as much detail and be as specific as possible, including names and dates, in order to facilitate the investigation.

6.4 Vigilance and Ethics Officer or Chairman of the Audit Committee shall mark the envelope / e-mail containing the Protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof.

6.5 Vigilance and Ethics Officer or Chairman of the Audit Committee shall weed out frivolous complaints after a preliminary enquiry and depending upon the merit of the case shall forward the Complaint to the Audit Committee without disclosing the identity of the employee.

7. INVESTIGATIONS

7.1 All protected disclosures under this policy after the preliminary enquiry as mentioned above will be recorded 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.

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

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

- 7.4 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.

8. DECISION AND REPORTING

- 8.1 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 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.

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

9. CONFIDENTIALITY

- 9.1 The complainant, Vigilance and Ethics Officer, Members of Audit Committee, the Subject and everybody involved in the process shall.

9.1.1. Maintain confidentiality of all matters under this Policy.

9.1.2. Discuss only to the extent or with those persons as required under this policy
for completing the process of investigations.

9.1.3. Not keep the papers unattended anywhere at any time.

9.1.4. Keep the electronic mails / files under password.

10. PROTECTION

- 10.1 No unfair treatment shall be given to the 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, victimization or any other unfair employment practice being adopted against complainant and protection will, therefore, be given to complainant 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 complainant to continue to perform his duties / functions including making further Protected Disclosure.
- 10.2 The complainant 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.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The employee shall have right to access 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.

12. 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 period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

13. 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 and Directors unless the same is notified to them in writing.