



Whistle Blower Policy – Vigil Mechanism

BACKGROUND

In this ever changing and dynamic environment, carrying business to meet customer expectations / every stakeholder (both external and Internal) is never easy without highest ethical behavior and corporate governance.

The possibility of unethical behavior / frauds / malpractices / wrongful acts / employee misconduct / illegal acts etc. by various people in the organization's operations can never be ruled out and ignorance of this possibility demonstrates poor corporate governance with potentially disastrous consequences. The happenings of this unethical behavior / frauds / malpractices / wrongful acts / illegal acts etc. at any level of organization hierarchy can only come to the knowledge of top management when there exists proper mechanism with the organization to report the same to top management by the person without fear who is aware of the same.

However, fear of retaliation and ignorance of where to report unethical behavior / frauds / malpractices / wrongful acts / illegal acts etc. usually discourage a potential whistleblower from reporting the same. Therefore, it's top management responsibility to create such comfortable environment & confidence to all the persons dealing with the company to fearlessly report any unethical behavior / frauds / malpractices / wrongful acts to the designated authority which is the first step towards good, effective & efficient corporate governance.

In a view to create such environment, the management has taken initiative for the implementation of Whistleblower Policy (the "Policy").

Additionally, Section 177(9) of the Companies Act, 2013 mandates the following classes of companies to constitute a Vigil Mechanism –

- A. Every listed company;
- B. Every other company which accepts deposits from the public;
- C. Every company which has borrowed money from banks and public financial institutions in excess of Rs.50 crores.

Regulation 4(2)(d)(iv) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") mandates that the listed entity shall devise an effective Vigil Mechanism / Whistle Blower Policy enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

Regulation 22(1) of the Listing Regulations mandates that the listed entity shall formulate a Vigil Mechanism / Whistle Blower Policy for directors and employees to report genuine concerns.





PURPOSE OF THIS POLICY

As a Listed Company, **STEEL EXCHANGE INDIA LIMITED** (the “Company”) is committed to integrity in all the dealings with financial markets, other stakeholders of the Company directly or indirectly. As a matter of Company’s objective and commitment towards highest standards of good and effective corporate governance, the Company is adopting this Whistle Blower Policy to receive and address the concerns or complaints regarding questionable actions against any person of the Company, reporting fraudulent financial information, any illegal acts, employee misconduct, frauds or suspected fraud or violation of Company’s Code of Conduct or ethics policy and any other matters relating to the Company which are against the Company’s Code of Conduct, policies & values.

The Company expects highest ethical behavior, integrity, and commitment by all the parties / stakeholders / directors / employees who are dealing with the Company by whatever the means and mode to follow and depict Company’s Code of Conduct in all their acts and deeds relating to the company.

Every person dealing with the Company by whatever the manner has the moral responsibility to promptly report any breach of Company’s Code of Conduct, policies & values by any person to the top management of the Company. The purpose of this Policy is to provide a framework to promote responsible and secure whistle blowing.

APPLICABILITY

This Policy applies to all the directors and employees of **STEEL EXCHANGE INDIA LIMITED**, working across the Company project locations, branches, customers, stakeholders, and/or third-party intermediaries such as agents and consultants to use this Policy and procedure to report, submit confidential and / or anonymous complaints.

OBJECTIVE & AIM OF THIS POLICY

This Policy neither release directors, employees, customers, other stakeholders and / from their duty of confidentiality in the course of their dealing with the Company. So objective & aim of this Policy is to encourages and enables directors, employees or customers or other stakeholders & third-party intermediaries who are dealing with the Company to raise serious concerns timely or as and when they are aware to the top management about the unethical behavior / frauds / malpractices / wrongful acts / employee misconduct / illegal acts or any other happenings within the Company which are deterrent to the Company’s reputation.





TYPE OF ACTIVITIES COVERED IN THIS POLICY

1. Conduct which is an offence or a breach of law.
2. Bullying, harassment, sexual, physical or other abuse of clients / employees / third party intermediaries / all stakeholders of the Company.
3. Possible fraud and corruption.
4. Violation of law (whether by act or omission) including statutory noncompliance.
5. Breach of contractual obligations.
6. The unauthorized use of financial resources of the Company.
7. Health and safety risks, including risks to the public as well as other employees
8. Actions which are unprofessional, inappropriate or conflict with a general understanding of what is rights and wrong.
9. Malpractice, impropriety, statutory non-compliance or wrongdoing.
10. Breach of any policy, rules, codes promulgated or adopted by the Company.
11. Any other unethical or improper conduct.

Note: (These are sample example areas and List will be updated from time to time)

TYPE OF ACTIVITIES NOT COVERED IN THIS POLICY

1. Willful wrong complaints, frivolous and bogus complaints;
2. Business and financial decisions taken by the Company that do not involve wrongdoing or illegality;
3. Matters which are already addressed pursuant to disciplinary or other procedures of the Company;
4. Concerns related to career progression, personal grievances etc.

THE COMPANY'S CONFIDENTIALITY & PROTECTION TO "WHISTLER BOWLER"

1. The Company is committed to protect directors, employees, customers and / or third-party intermediaries wishing to raise / raised a concern or complaint about serious irregularities within the Company against any harassment, victimization or any other form of retaliation (whether Active or Passive) or any other unfair employment practice being adopted against Whistle Blowers (i.e. any unfair practice like 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/her duties/functions including making further Protected Disclosure).
2. Any violation to the above can be reported by the Whistler Bowler directly to the Chairman of the Audit Committee immediately without any delay. Further, investigation in this regard will be taken care by the Audit Committee.
3. Any other director / employee / customer / other stakeholders assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.





4. If the Whistle Blower wishes to be anonymous, the Company will not disclose the identity of the Whistle Blower unless legally required or when anonymity is impractical for the purposes of dealing with the complaint.
5. The Company and the concerned officer will not disclose the existence or contents of complaint to anyone other than the Audit Committee and those persons who are required to know for the purpose of dealing with the Complaint or any action required to be taken pursuant thereto. The commitment of confidentiality will not apply when the relevant information is legally required to be disclosed.

REPORTING MECHANISM

1. The Company will appoint from time to time, one or more senior employees, who are respected for their fairness, independence and integrity, to be the officer under this Policy. Refer below attached list of such designated officers and their contact details.

Designated Officer:

Mr. P Balakrishna, DGM HR

Phone: +91-9849608517

E-mail: balupavuluri@seil.co.in

2. Whistle Blower who wishes to raise the concern or bring notice any of the activities mentioned in this Policy to be reported need to send details of complaint with the below information to the extent possible through any mode of communication which is allowable (like e-mail, letter through courier etc).
 - A. Details of the director / employees / parties involved.
 - B. Division / location where such reportable activities are taking place.
 - C. Periodicity from when it is happening along with date.
 - D. Brief note about the matter involved in the complaint
 - E. Attaching the evidence which is available (in case of confirmed activity of reportable matter) or mention where evidence is available.
 - F. Type of concern (like fraud / employee misconduct / illegal act etc.)
 - G. Mention the names of the people whom to contact for more information about the matter in the complaint.
 - H. Prior efforts made to address this issue, mention the names of the people to whom it is reported earlier.
 - I. Any other useful information which helps in investigation.

DUTIES & REPSONSIBILITIES OF WHISTLERBOWLER UNDER THIS POLICY

1. All parties involved to whom this Policy applies shall adhere to such procedures and maintain confidentiality with regard to all the matters & persons involved in the subject matter of the complaint. As there are chances for loss of evidence or destroy the evidence by the any persons involved in the subject matter.





2. Bring any reportable matters to the attention of the Company Management as soon as you become aware of the same as the delay in reporting may lead to loss of evidence and also financial loss for the Company.
3. Ensure Whistle Blower have sufficient basis for making a complaint.
4. Avoid unnecessary anonymity when making a complaint.
5. Follow the procedures prescribed in this Policy for making a complaint
6. Co-operate with the investigating authorities as and when required.

DUTIES AND RESPONSIBILITY OF THE DESIGNATED OFFICER

1. On receipt of the complaint, the Designated Officer should start investigation without any delay by appointing any trustful senior official of the organization as investigator or if required hire outside investigating agency for conducting investigation in the matter involved in complaint (this need to be decided on case-to-case basis after appropriate approval from top management).
2. Status of the investigation proceedings need to be informed to the Whistle Blower in reasonable & Audit Committee on regular intervals.
3. All information disclosed during the course of the investigation will remain kept confidential.
4. The Designated Officer shall send a report to the Chairperson of the Audit Committee and the Company's Managing Director at the end of every calendar quarter, listing the complaints received & resolved during the quarter, the status of open complaints and brief findings with actions taken on complaints closed during the quarter. The report may also contain recommendations for improvement in the procedures or amendments to this Policy.

MODIFICATION

The Audit Committee or the Board of Directors of the Company can modify this Policy unilaterally at any time. Modification may be necessary, among other reasons, to maintain compliance with statutory, state or local regulations and / or accommodate organizational changes within the Company.

