



SHYAM METALICS AND ENERGY LIMITED

WHISTLE BLOWER POLICY

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WHISTLE BLOWER POLICY

1. PREFACE

- a) Shyam Metalics and Energy limited (SMEL) believes that the activities of the Company and its employees should be conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior. Towards this objective, SMEL has adopted SMEL Code of Conduct (the "Code") which lays down the principles and standards which would govern the actions of Shetland its employees. The code provides for the company to have a Whistle Blower policy so that any potential violation of the code should be taken up most seriously and appropriate steps should be taken by the management.
- b) With the enactment of Section 177 (9) of the Companies Act, 2013 read with the applicable Rules, and Regulations 4(2)(d)(iv) and 22 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (the "SEBI Listing Regulations") as amended from time to time, SMEL is required to establish a vigil mechanism, by way of a formal Whistle Blower Policy.
- c) Under this policy, employees and directors are to report to the management, instances of unethical behavior, actual or suspected, fraud, illegal activities or violation of the SMEL's Code of Conduct. Accordingly, this Whistle Blower Policy (the Policy) has been formulated with a view to provide a mechanism for stakeholders, including employees of SMEL, to approach Internal Auditor or Chairman of the Audit Committee of the Company in any such event.
- d) This Policy neither releases Directors and Employees from their duty of confidentiality in the course of their work, nor is a route for taking up a grievance about a personal situation

2. EFFECTIVE DATE

This Policy shall be effective from 15th may, 2018.

3. DEFINITIONS

The definitions of some of the major terms used in this policy are given below.

- a) "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company Section 177 of the Companies Act, 2013 and read with Regulation 18 of the Sebi (LODR) Regulations, 2015.

- b) "Company"/"SMEL" means Shyam Metalics and Energy Limited.
- c) "Director(s)" means a director appointed on the board of directors of SMEL.
- d) "Employees" means every employee of SMEL including the directors in employment of SMEL.
- e) "Investigators" means those persons authorised, appointed, consulted or approached by the Internal Auditor/ Chairman of the Audit Committee and includes the auditors of SMEL and the police.
- f) "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information which may evidence unethical or improper activity.
- g) "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.
- h) "Whistle Blower" means an employee making a protected disclosure under this policy.
- i) "Unethical or improper activity" means but not limited to:
- bribery , theft, fraud, coercion and willful omission
 - Pass back of commissions/benefits or conflict of interest
 - Mismanagement, Gross wastage or misappropriation of company funds/assets/resources
 - Manipulation of Company data/records for personal benefit
 - Stealing cash/company assets; leaking confidential or proprietary information
 - Unofficial use of Company's material/human assets
 - Activities violating Company policies including Code of Ethics and Conduct
 - An abuse of authority
- but excludes any private acts of an individual not connected with the business of Shyam Metalics and Energy Limited

4. ROLE AND SCOPE OF WHISTLE BLOWER

- a) The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

- 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 Internal Auditor or the Chairman of the Audit Committee or the investigators.
- c) Protected Disclosure will be appropriately dealt with by the Internal Auditor or the Chairman of the Audit Committee, as the case may be.

5. ELIGIBILITY

All Employees and Directors of the Company are eligible to make Protected disclosures under the policy. The protected disclosure may be in relation to matters concerning the Company at the Head Office, Units, Depots and all other places of business.

6. DISQUALIFICATION

- a) While it will 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 3 or 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) Employees can make protected disclosure in writing addressed to the chairman of the Audit Committee as soon as possible but not later than 30 consecutive days after becoming aware of the same.
- b) All Protected Disclosures concerning financial/accounting matters should be in writing and addressed to the Chairman of the Audit Committee of the Company for investigation.
- c) In respect of all other Protected Disclosures, those concerning the Internal Auditor and 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 Internal Auditor of the Company.

- d) If a protected disclosure is received by any executive of the Company other than the Internal Auditor, the same should be forwarded to the Company's Internal Auditor 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. The contact details of the Chairman of the Audit Committee and of the Internal Auditors are as under:
1. Chairman of the Audit Committee: Mr. Kishan Gopal Baldwa – cakgb@rediffmail.com
 2. Internal Auditors of the Company: S.K. Patodi & Co. – mail@skpatodi.in
- 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 a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower. Alternatively, Protected Disclosures can also be reported orally to Internal Auditor/Chairman of Audit Committee.
- 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 / Internal Auditor, 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.

8. INVESTIGATIONS

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Internal Auditor / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b) The Internal Auditor / 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 Internal Auditor /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 Internal Auditor /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 Internal Auditor / 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 wrong doing 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 the receipt of the Protected Disclosure.
- l) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Internal Auditor / Audit Committee when acting within the course and scope of their investigation.
- m) 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 behaviour, and observance of legal and professional standards.
- n) Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Internal Auditor, 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.

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 or Internal Auditor of the Company, 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 or Director assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

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11. DECISION

If an investigation leads the Internal Auditor/ Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Internal Auditor/ Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Internal Auditor / 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. CONFLICT OF INTEREST

In the event the Chairman of the Audit Committee has a conflict of interest in relation to a Protected Disclosure received by him, the Chairman of the Audit Committee shall recuse himself from the matter and forward such Protected Disclosure to other members of the Audit Committee. The Audit Committee shall then nominate another member of the Audit Committee to exercise the role of the Chairman as set out in this Policy in relation to such Protected Disclosure.

13. REPORTING AND REVIEW

The Internal Auditor 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. A report with number of complaints received under this Policy and their outcome shall be placed by the Concerned Authority before the Audit Committee on a regular basis.

The Audit Committee shall review the functioning of the whistle-blower mechanism created pursuant to this Policy from time to time.

14. 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 seven years.

15. DISSEMINATION

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the annual report of the Company. The Policy will be reviewed on an annual basis or as and when warranted due to regulatory requirements.

16.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.

DATE: 15th May, 2018