

D&H SECHERON ELECTRODES PRIVATE LIMITED

(CIN U32101MH1965PTC164343)

**DALAMAL CHAMBERS BASEMENT, 29, NEW MARINE LINES, MUMBAI 400 020
MAHARASHTRA IN**

VIGIL MECHANISM POLICY

(Pursuant to Section 177 of the Companies Act, 2013)

Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 is as below:-

Section 177 (9) – 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.

Section 177 (10) – The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Management in appropriate or exceptional cases:

Provided that the details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board's report.

***Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.**
Establishment of vigil mechanism

(1) Every listed company and the companies belonging to the following class or classes shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances-

- (a) the Companies which accept deposits from the public;
- (b) the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.

(2) The companies which are required to constitute an Audit Committee shall oversee the vigil mechanism through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

(3) In case of other companies, the Board of directors shall nominate a director to play the role of Management for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

(4) The vigil mechanism shall provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Management or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.

(5) In case of repeated frivolous complaints being filed by a director or an employee, the Audit Committee or the director nominated to play the role of Management may take suitable action against the concerned director or employee including reprimand.

APPLICABILITY TO D&H SECHERON ELECTRODES PRIVATE LIMITED (“D&HSEPL”)

D&HSEPL is not a listed Company nor has it accepted deposits from Public. However, the Vigil Mechanism becomes applicable to D&HSEPL on account of its borrowings from banks is in excess of Fifty Crore rupees. [Rule 7(1)(b)]

The Vigil Mechanism Policy is applicable to all employees and/ or Directors of D&HSEPL. In compliance of these requirements, D&HSEPL has established a Vigil Mechanism and formulated a policy for the same.

The Policy is approved by the Board vide its resolution dated from 22nd April, 2024 and shall be effective from 01st April, 2024. The Board has appointed the Executive Director (Technical) Mr. Tummala Jaya Prasada Rao as “Vigilance Officer”.

KEY DEFINITIONS:

- “Employee” means all the present employees and Directors of the Company (whether working in India or abroad).
- “Whistle Blower” is an employee or group of employees who makes a Protected Disclosure under the Policy.
- “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 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.
- “Vigilance Officer” is a person nominated/appointed to receive protected disclosures from Whistle Blower/s, maintaining records thereof, placing the same before the Management for its disposal and informing the Whistle Blower/s the result thereof.

OBJECTIVE:

D&HSEPL follows highest standards of business ethics and management practices in the conduct of its business. Forming a Vigil Mechanism policy is to encourage the employees and directors of the company to come forward and express their suspected misconduct concerns without fear of punishment or unfair treatment.

POLICY:

The Vigil Mechanism Policy is applicable to all employees and/or Directors of D&HSEPL with a purpose to raise concerns about unacceptable, improper or unethical practices being followed in the company, without informing the superior. Individuals will be protected against any adverse action and/ or discrimination as a result of such a reporting, provided it is justified and made in good faith.

The assurance and co-operation from the Management in safeguarding the interest of the individuals who choose to report matters of principles of the Management is reinforced by the Vigil Mechanism Policy. In the process, it is also to be ensured that the Policy is not misused.

SAFEGUARDING THE INTERESTS:

Employees/ Directors will be protected against any adverse action and/or discrimination as a result of a reporting under this policy, provided it is justified and made in good faith.

The issues raised could include:-

1. Reporting in good faith, your belief that there is waste of Company funds.
2. Reporting in good faith, the violation or suspected violation of a law, rule or regulation.
3. Participating in or giving information in an investigation, hearing, court proceeding, legislative or other inquiry, or other administrative review.
4. Objecting or refusing to carry out a directive that you believe in good faith, may violate a law, rule or regulation.

and any other matters or activities on account of which the interest of the Company is affected. If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. If a complaint is malicious or vexatious, disciplinary action will be taken against the concerned.

LODGING A COMPLAINT:

Complaint or concern about any fraud or violation of a law, rule or regulation or unacceptable, improper or unethical practice may be raised with the Vigilance Officer by making an email at tjprao@dnhsecheron.net

INVESTIGATION:

All Protected Disclosures reported under this Policy will be thoroughly investigated by the Vigilance Officer who will investigate / oversee the investigations under the authorization of the Chairman of Management. The Vigilance Officer may at its discretion consider involving any investigations for the purpose of Investigation.

The decision to conduct an investigation taken into a Protected Disclosure by itself is not an acceptance of the accusation by the Authority and is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation.

Unless there are compelling reasons not to do so, Whistle Blower/s will be given reasonable opportunity for hearing their side during the investigation. No allegation of wrongdoing against the Whistle Blower/s shall be considered as maintainable unless there is good evidence in support of the allegation.

FORMAT FOR REPORTING/ COMPLAINT

Date:

Name & Designation of Complainant (Employee/ Director)

Email-id

Address:

Contact No.

Subject matter which is being reported/complaint, etc.

Name of Person/Event reported/complained, etc. about:

Complaint in brief.....

Evidence (if Any)

Signature

REPORTING/ RECORD

The report regarding total number of complaints received, nature of complaint, outcome of investigation, actions recommended by the Vigilance Officer and implementation of the same shall be reviewed by the Board on need basis.

ANNUAL AFFIRMATION ON THE COMPLIANCE OF POLICY

The Company shall annually affirm that it has not denied any Whistle Blower access to the Vigilance Officer of the Company. The affirmation as referred above shall form part of the Directors' Report.

ALTERATION

The Board of Directors do hereby reserve the right to alter, amend or modify the clauses of the Policy from time to time in line with the requirements of Company or any other Act, Rules, Regulations etc. which may be applicable from time to time.