

VIGIL POLICY

1. PREAMBLE AND OBJECTIVE OF POLICY

M/s. Xindia Steels Limited (the Company) considering the interest of all its well-wishers, who want to report genuine concerns within the organisation, implements the Vigil Mechanism / Whistle Blower policy (the Policy).

The Company has to comply with different laws which are applicable to it and also follow Company's policies and procedures. This ensures all compliance with law and adoption of best practices which in turn adds value to stakeholders. Where violations thereto are not addressed, the Company and Directors would have to face Governmental investigation, prosecution, fine and penalties and loss of credibility. Consequently stakeholder's value declines. To avoid these Companies needs to establish a mechanism that facilitates easy reporting of any violation / potential violation. Employees must be able to raise concerns regarding these violations easily and freely without any retaliation.

The Section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 provides for compulsory establishment of vigil mechanism for specified Companies. Since the Company is covered under the said requirement, the Board adopted this "Vigil Policy" (herein after "Policy / Mechanism"). The policy is administered by the Audit Committee (herein after "Committee") as per the said provisions.

KEY DEFINITIONS:

- The Company means "Xindia Steels Limited"
- "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with The Companies Act, 2013
- "Board" means the Board of Directors of the Company
- Policy means the "Vigil Mechanism Policy"
- "Employee" means all the present employees and Directors of the Company
- "Whistle Blower" is an employee 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 unethical / improper activity under the title “scope of the policy” with respect to the Company.

2. PURPOSE

- 2.1 To encourage the employees including outsourced, temporary and contract personnel, ex-employees to report without any fear any unethical behaviour, mal-practices, wrongful conduct, fraud, violation of Companies policies and violation of law.
- 2.2 Establish a mechanism for reporting and consequential investigation on the reported issue, so as to build and strengthen a culture of transparency and trust within the organisation.

3. SCOPE AND APPLICABILITY

- 3.1 This policy is applicable to all employees of M/s. Xindia Steels Limited including outsourced, temporary, and contract personnel, ex-employees.
- 3.2 All employees are encouraged to report any kind of misuse of Company’s properties, mismanagement or wrongful conduct prevailing in the Company, which the Whistle blower in good faith believes and evidences to any of the following:
 - 3.2.1 Violation of any law/regulation/policy which results in corruption, bribery, theft, fraud, coercion, and wilful omission.
 - 3.2.2 Mismanagement/ misappropriation of Company’s funds / assets.
 - 3.2.3 Manipulation of Company’s data and records.
 - 3.2.4 Violation of Company’s policies including the Code of Conduct.
 - 3.2.5 Any activity which has substantive danger to public health and safety.
 - 3.2.6 Act of discrimination or sexual harassment

4. PROCEDURE / MECHANISM

- 4.1 All complaints in written format or through email with complete related evidence may be sent by complainant to the Audit Committee of the Company, using the standard template available on the website of the Company (*Refer “Vigil Mechanism - Annexure I” available on the web-site of the Company*)

5. GENERAL INSTRUCTION FOR COMPLAINT:

- 5.1 The complaint must bring out the clear understanding of the issue which is reported.
- 5.2 The complaint should be based on actual fact and not heresay.
- 5.3 The complaint must contain as much quantitative and supporting facts so that proper investigation can take place.
- 5.4 The complaint should not be conclusive/ judgemental in nature.

6. The following complaints are not encouraged:

- 6.1 Which are illegible, if hand written;
- 6.2 Which are vague
- 6.3 Which are trivial or frivolous
- 6.4 Matters which are pending before the Court of Law, Tribunals or any other authority.
- 6.5 Matters after the expiry of one year from the date on which they have occurred.
- 6.6 Matters which are not against the interest of the Company or which are out of the preview of the Company

7. All complaints should be addressed to the Chairman of the Audit Committee

8. The Audit Committee will be responsible for the following:

- 8.1 To follow rule of natural justice
- 8.2 To avoid conflict of interest
- 8.3 To conduct enquiry / investigation in fair manner
- 8.4 To ensure complete fact finding of the reported matter
- 8.5 To conduct investigation/enquiry on a neutral basis, without perception of any guilt
- 8.6 To record proceedings
- 8.7 To maintain confidentiality
- 8.8 To maintain anonymity of complainant or other employees from whom information is called for
- 8.9 To give a report on the matter being investigated to the Board
- 8.10 To recommend to the Board, appropriate course of action, if any required
- 8.11 To ensure the complainant is not victimised

9. The Audit Committee shall have the following powers:

- 9.1 To record / reject recording complaints made under this policy
- 9.2 To take action against complainant if the complaint is false and malicious in nature
- 9.3 To call for further information from the complainant / accused / other employees
- 9.4 To summon appearance of person(s) against whom complaint is made (“accused”)
- 9.5 To hear the complainants submissions separately
- 9.6 To waive the appearance of the complainant
- 9.7 to remove anonymity of the complainant
- 9.8 To require the accused / complainant to produce affidavit
- 9.9 To grant time for submission of documents and information – to the accused and complainant
- 9.10 To recommend appropriate actions to the Board upon outcome of the enquiry / investigation

10. ACTIONS

The Audit Committee may recommend any action to the Board, including:

- 10.1 Warning / suspension / dismissal
- 10.2 Withholding promotion or increment or bonus
- 10.3 Demotion
- 10.4 Termination after due enquiry
- 10.5 Legal suit

11. PROTECTION TO THE COMPLAINANT

- 11.1 The complainant's identification shall be kept confidential at all time, except where Audit Committee requires otherwise
- 11.2 Complainant's submissions shall be heard separately, except where Audit Committee requires otherwise
- 11.3 Where there is a likelihood of the accused recognising complainant, the Audit Committee shall make immediate recommendations to the Board for avoiding Victimisation.
- 11.4 For avoiding victimisation, Audit Committee may impose conditions on the Accused (either during the investigation or after completion of the same). The Audit Committee may also specify additional actions if such conditions are violated.

The above mentioned list is illustrative and not exhaustive.

Once there is a reasonable suspect that any of the above mentioned violation has occurred or is occurring or is about to occur, the same shall be reported at the earliest – as per procedure provided in this policy. Complainant has no authority to conduct or participate in any investigating activity unless authorised specifically.

12. This policy can be modified from time to time to full till the requirement of the Law, also organization.

LI XIAOBING
Chairman & Managing Director

VIGIL MECHANISM – ANNEXURE – 1

TEMPLATE FOR REPORTING VIOLATIONS

To,
Mr/Ms,
The Chairman of Audit Committee,
Xindia Steels Limited,
Factory premises, Hirebaganal and
Kunikeri village, Post Ginigera,
Taluk and District – Koppal,
Karnataka – 583 231
Ph. No.....
Email Id.....

Violation details:

- a. The aspect of the Vigil policy that has been violated?
- b. Individual / function / department who has violated?

Facts:

- a. Description of the violation which has occurred
- b. Supporting facts or information

Date:

Location:

Name of the person reporting (optional):

Designation (optional):

Contact information (optional):