

***VIGIL MECHANISM / WHISTLE BLOWER POLICY***

**1. PREAMBLE**

Section 177 of the Companies Act, 2013 requires every public limited companies which have borrowed money from banks and public financial institutions in excess of Rs. 50 crore shall establish a vigil mechanism for the directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("the Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

**2. POLICY**

In compliance of the above requirements, BMM Ispat Limited, (BMMIL), has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

**3. POLICY OBJECTIVES**

The Vigil (Whistle Blower) Mechanism intends to provide a platform to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

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 about a personal situation.

#### **4. DEFINITIONS**

**“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

**“Employee”** means every employee of the Company, including the Directors in the employment of the Company

**“Protected Disclosure”** means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

**“Code”** means conduct for Directors and Senior Management Personnel adopted by BMMIL.

**“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

**“Vigilance Officer/Vigilance Committee or Committee”** is a person or Committee of persons, nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

**“Whistle Blower”** is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

#### **5. ELIGIBILITY**

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

#### **6. SCOPE**

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:

- Breach of the Company’s Code of Conduct
- Breach of Business Integrity and Ethics

- Breach of terms and conditions of employment and rules thereof
- Intentional Financial irregularities, including fraud, or suspected fraud
- Deliberate violation of laws/regulations
- Gross or Wilful Negligence causing substantial and specific danger to health, safety and environment
- Manipulation of company data/records
- Pilferation of confidential/propriety information
- Gross Wastage/misappropriation of Company funds/assets

## **7. PROCEDURE**

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower policy**” or sent through email with the subject “**Protected disclosure under the Whistle Blower policy**”. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases. The contact details of the Vigilance Officer are as under:-

**Name and Address** – Ms. Suman Bajoria, Company Secretary, No.101, 1<sup>st</sup> Floor, Pride Elite, No.10, Museum Road, Bangalore-560001

Protected Disclosure against the Whistle Officer and Chairman/CEO of the Company should be addressed to the Chairman of the Audit Committee.

**Name and Address** – Mr. Pratapgiri Subramanyam, Independent Director, No.101, 1<sup>st</sup> Floor, Pride Elite, No.10, Museum Road, Bangalore-560001

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

On receipt of the protected disclosure the Vigilance Officer/Chairman of the Audit Committee as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. The record will include:

- a. Brief facts;
- b. Whether the same protected disclosure was raised previously by anyone, and if so, the outcome thereof;
- c. Whether the same protected disclosure was raised previously on the same subject;
- d. Details of actions taken by Whistle Officer/Chairman for processing the complaint;
- e. Findings of the Audit Committee;
- f. The recommendations of the Audit Committee/ other actions.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

## **8. INVESTIGATION**

All Protected Disclosures under this policy will be recorded and thoroughly investigated by the Vigilance Officer of the Company who will investigate/oversee under the authorisation of Audit Committee. Chairman of the Audit Committee/Whistle officer may at its discretion consider involving any investigators for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The identity of a subject will be kept confidential to the extent possible given the legitimate needs of the investigation.

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

Subjects shall have a duty to co-operate with the Whistle Officer(s) / Audit Committee during investigation to the extent that such co-operation sought does not merely require them to admit guilt.

Subjects shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.

Subjects shall 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.

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Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subjects shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

Whistle Officer shall normally complete the investigation within 90 days of the receipt of protected disclosure.

In case of allegations against subject are substantiated by the Whistle Officer in his report, the AC shall give an opportunity to Subject to explain his side.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

### **DECISION AND REPORTING**

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit. 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.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

### **CONFIDENTIALITY**

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

### **PROTECTION**

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimisation of complainants shall be provided. The Company will take steps to minimize

difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

#### **DISQUALIFICATIONS**

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.

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.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

#### **ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower 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.

#### **COMMUNICATION**

Directors and Employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

#### **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 5 (five) years or such other period as specified by any other law in force, whichever is more.

#### **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 Directors and employees unless the same is not communicated in the manner described as above.