

VIGIL MECHANISM POLICY/
Whistle Blower Policy

SHAILY ENGINEERING PLASTICS LIMITED
SURVEY # 364 & 366, RANIA, TA- SAVLI
DIS- VADODARA-391780
CIN- L51900GJ1980PLC065554

1. Preface

- 1.1 The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.
- 1.2 The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 1.3 In the Companies Act, 2013 under Section 177 every listed company or such class or classes of companies, as may be prescribed shall establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.4. In the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement every company shall establish a Whistle blower Policy/Vigil Mechanism for their directors and employees to report their genuine concerns or grievances.
- 1.5 In compliance with applicable law and in accordance with non-mandatory requirements of the Listing Agreement with Bombay Stock Exchange and principles of good corporate governance, the Audit Committee of the Company is committed to adopting procedures to receive and address any concern or complaint regarding questionable accounting or auditing matters, internal accounting controls, disclosure matters, reporting of fraudulent financial information to our shareholders, any government entity or the financial markets, or any other company matters involving fraud, employee misconduct, illegality or health and safety and environmental issues which cannot be resolved through normal management channels.
- 1.5 The purpose of this policy is to provide a framework to promote responsible and secure Vigil Mechanism. It protects employees wishing to raise a concern about serious irregularities within the Company.
- 1.5 The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

2. Policy

- 2.1 This Policy is for the Employees as defined hereinafter.
- 2.2 The Policy has been drawn up so that Employees can be confident about raising a concern. The areas of concern covered by this Policy are summarized in paragraph 5.

3. Definitions

“Alleged wrongful conduct” shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.

“Audit Committee” means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.

“Board” means the Board of Directors of the Company.

“Company” means the Shaily Engineering Plastics Limited.

“Employee” means all the present employees (including Contract Employees on Contractual Basis) and Managing/Whole Time/Executive Directors of the Company.

“Vigilance 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 under the title “COVERAGE OF THE POLICY” with respect to the Company. It should be factual and not gossip/speculative or in the nature of hearsays and should contain to the point information for its appropriate assessment/review.

“Subject” means the person against whom the complaint is made.

4. The Guiding Principles

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- Ensure that the Person processing the Vigilance Disclosure is not victimized for doing so;
- Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- Ensure complete confidentiality.
- Not attempt to conceal evidence of the Protected Disclosure;
- Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- Provide an opportunity of being heard to the persons involved especially to the Subject.

5. Coverage of Policy

5.1 The Policy covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of contract

3. Negligence causing substantial and specific danger to public health and safety
 4. Manipulation of company data/records
 5. Financial irregularities, including fraud, or suspected fraud
 6. Criminal offence
 7. Pilferation of confidential/propriety information
 8. Deliberate violation of law/regulation
 9. Wastage/misappropriation of company funds/assets
 10. Breach of employee Code of Conduct or Rules
 11. Any other unethical, biased, favoured, imprudent event
- 5.2 Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

6. Disqualifications

- 6.1 While it will be ensured that genuine Subjects are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 6.2 Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Subject knowing it to be false or bogus or with a *mala fide* intention.
- 6.3 Subjects, who make any Protected Disclosures, which have been subsequently found to be *mala fide*, *frivolous* or *malicious* shall be liable to be prosecuted.

7. Manner in which concern can be raised

- 7.1 All Vigilance Disclosure should be reported in writing, duly signed by the complainant as soon as possible after the Employee becomes aware of the same.
- 7.2 The Vigilance Disclosure should be submitted in a closed and secured envelope. Alternatively, the same can also be sent through email with the subject Line "Vigilance Disclosure".

All Vigilance Disclosure should be addressed to:

Name : Manager-HR
Address : Shaily Engineering Plastics Limited
Survey No.364/366, Rania, Ta- Savli, Dist- Vadodara-391780

If you have reason to believe that your superior is involved in the any wrongful conduct, your report may be made to chairman of the Audit Committee:

Name : Chairman - Audit Committee
Address : Shaily Engineering Plastics Limited
Survey No.364/366, Rania, Ta- Savli, Dist- Vadodara-391780

Upon receipt of the Vigilance Disclosure, the Recipient shall make its record and ascertain from the complainant about the same. He shall also carry out initial investigation either himself or engage any other Officer of the Company or an outside agency.

8. Investigation

- 8.1 All Vigilance disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/or an outside agency for the purpose of investigation.
- 8.2 Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 8.3 Subject(s) have a right to consult with a person or persons of their choice,
- 8.4 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed.
- 8.5 Subject(s) have a right to be informed of the outcome of the investigations.
- 8.6 The investigation shall be completed normally within 60 days of the receipt of the Vigilance disclosure and is extendable by such period as the Audit Committee deems fit.

9. Decision and Reporting

- 9.1. If outcome of the Investigation indicates that an improper or unethical or wrongful act has been committed, it will be recommended to the management of the Company to take appropriate corrective action. Any such disciplinary or corrective action shall be subject to the applicable personnel or staff conduct and disciplinary procedures.
- 9.2. If Complainant is not satisfied with Report, he has the right to report the event to the appropriate legal or investigating agency.
- 9.3. A complainant who makes false allegations or about alleged wrongful conduct shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

10. Protection

- 10.1 No Personnel who, in good faith, makes a disclosure or lodges a complaint in accordance with this Policy shall suffer reprisal, discrimination or adverse employment consequences. Accordingly, the Company strictly prohibits discrimination, retaliation or harassment of any kind against a Subject who based on his/her reasonable belief that one or more Reportable Matters has occurred or are occurring, reports that information. Any Personnel who retaliates against a Subject who has raised a Reportable Matter in good faith, will be subject to strict disciplinary action up to and including immediate termination

of employment or termination of his/her relationship with the Company. If any Personnel who makes a disclosure or complaint in good faith, believes that he/she is being subjected to discrimination, retaliation or harassment for having made a report under this Policy, he/she must immediately report those facts to his/her supervisor, manager or Chairman of Audit Committee. It is imperative that such Personnel brings the matter to the Company's attention promptly so that any concern of reprisal, discrimination or adverse employment consequences can be investigated and addressed promptly and appropriately.

10.2 The identity of the Subject shall be kept confidential.

11. Secrecy/Confidentiality

The complainant, Members of Audit Committee, the Subject and everybody involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
- b. not discuss the matter in any informal/social gatherings/ meetings
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d. not keep the papers unattended anywhere at any time
- e. keep the electronic mails/files under password

If any one is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

12. Retention of Documents/Proceedings

All Vigilance disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 8 (Eight) years or such other period as specified by any other law in force, whichever is more.

13. Amendment

The provisions of this policy can be amended and by the Board from time to time and all such amendments and modifications shall take effect from the date stated therein. Amendment may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company.