



## SARDA ENERGY & MINERALS LIMITED

Regd. Off: 73-A, Central Avenue, Nagpur (MH.) 440018  
Ph: +91-712-2722407; Fax: +91-712-2722107 Email: [cs@seml.co.in](mailto:cs@seml.co.in)  
URL: [www.seml.co.in](http://www.seml.co.in) CIN: L27100MH1973PLC016617

### **SEML – Vigil Mechanism**

- 1**
  - Preface***
    - i) Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Such vigil mechanism should provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairman of the Audit Committee [C-AC] in appropriate or exceptional cases.
    - ii) Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected fraud.
    - iii) Under these circumstances, Sarda Energy & Minerals Ltd. ("SEML"), being a listed company proposes to establish a Vigil Mechanism/ Whistle Blower Policy and to formulate a policy for the same.
- 2**
  - Policy Objectives***
    - i) The objective of the mechanism is to provide a channel to the employees and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to Chairman-Audit Committee in exceptional cases.
    - ii) 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 against people in authority and / or colleagues in general.
- 3**
  - Scope of the Vigil Mechanism***

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected.
- 4**
  - Definitions***
    - i) "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.
    - ii) "Audit Committee" means a Committee constituted as Audit Committee by the Board of Directors of the Company from time to time.
    - iii) "Board" means the Board of Directors of the Company.



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- iv) "Company" means Sarda Energy & Minerals Ltd. [SEML].
- v) "Code" means Code of Conduct for Directors and Senior Management Executives adopted by SEML.
- vi) "Compliance Officer" means Company Secretary of the Company
- vi) "Employee" means all the present employees and whole time Directors of the Company (whether working in India or abroad).
- vii) "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 under the title "Scope of the Policy" 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.
- viii) "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.
- ix) "Vigilance Officer" means Head HR [HHR], for receiving protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee through the Compliance Officer for its disposal and informing the complainant the result thereof.  
  
In case the Protected Disclosure is against the HHR and /or the Compliance Officer, then the Vigilance Officer shall be C-AC.
- x) "Complainant" is an employee or group of employees who make a Protected Disclosure under this Policy.

### 5 Eligibility

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

### 6 Receipt and disposal of protected disclosures

- i) All Protected Disclosures should be reported in writing/through email, by the complainant as soon as possible after the complainant becomes aware of the same so as to ensure a clear understanding of the issues raised.
- ii) The Protected Disclosure should be submitted in a closed envelope and should be super scribed as "Protected disclosure under the Vigil Mechanism". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Vigil Mechanism". In order to protect identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into



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any further correspondence with the Vigilance Officer. The Vigilance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

- iii) Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.
- iv) The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer / C—AC Chairman as the case may be, shall detach the covering letter bearing the identity of the complainant and process only the Protected Disclosure.
- v) All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the C-AC in exceptional cases.
- vi) Protected Disclosure against the Vigilance Officer should be addressed to the C-AC and the Protected Disclosure against the C-AC should be addressed to the Audit Committee.
- vii) On receipt of the protected disclosure the Vigilance Officer / C-AC, 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. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. 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 Vigilance Officer for processing the complaint
  - e) findings of the Audit Committee
  - f) the recommendations of the Audit Committee/ other action(s).
- viii) The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

## 7

### **Investigation**

- i) All protected disclosures under this policy will be recorded and thoroughly investigated.
- ii) The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- iii) 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.
- iv) Subject(s) shall have a duty to co-operate with the Audit Committee or any of the



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Officers appointed by it in this regard.

- v) Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance Officer / Investigators and/or members of the Audit Committee and/or the complainant.
- vi) Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- vii) Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- viii) Subject(s) have a right to be informed of the outcome of the investigations.
- ix) The investigation shall be completed normally within 30 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

### 8 **Decision and Reporting**

- i) If an investigation leads the Vigilance Officer / C-AC to conclude that an improper or unethical act has been committed, the Vigilance Officer / C-AC shall recommend to the management of the Company to take such disciplinary or corrective action as he/it 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.
- ii) The Vigilance Officer shall submit a report to the C-AC on quarterly basis about all Protected Disclosures referred to him since the last report together with the results of investigations, if any.
- iii) In case the Subject is the Chairman of the Company, the C-AC after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- iv) 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.
- v) Audit Committee shall have the final authority in deciding which complaint is to be taken on record and which complaint should not be taken on records.

### 9 **Secrecy / Confidentiality**

All communications related to complaints, complainant, resolution of the



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complaint, outcome of the decision, and related matters shall be kept confidential and shall not open to inspection to anyone except:

- a) The Chairman – Audit Committee
- b) Compliance Officer
- c) Head HR / Vigilance Officer
- d) Complainant – only the complaints made by him.

### 10

#### **Protection**

- i) No unfair treatment will be meted out to a complainant by virtue of his/ her having reported a Protected Disclosure under this policy. Complete protection will be given to complainant 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 complainant's right to continue to perform his duties /functions including making further Protected Disclosure.
- ii) The identity of the complainant shall be kept confidential to the extent possible and permitted under law. In the event of the identity of the complainant being disclosed by person other than the complainant, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.
- iii) Any other Employee assisting in the said investigation shall also be protected to the same extent as the complainant.
- iv) The complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company.

### 11

#### **Access to Chairman of the Audit Committee**

The complainant shall have access to the C-AC directly in exceptional cases and the C-AC is authorized to prescribe suitable directions in this regard.

### 12

#### **Communication**

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed by publishing in notice board and through the in-house portal and by hosting the policy on website of the company.

### 13

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

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#### **Administration and Review of the Policy**

The HHR shall be responsible for the administration, interpretation, application and review of this policy under guidance of the compliance officer. The HHR also



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shall be empowered to bring about necessary changes to this Policy, if required at any stage with the written approval of the Audit Committee/Board.

**15**

**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. Such Amendment or modification will be binding on the Employees and Directors, on its being communicated to them.

**16**

**Contact Details**

The contact details for the purpose of vigil mechanism shall be as under:

- i) Head HR [HHR] - at his office or at his designated email id – [vtnaidu@seml.co.in](mailto:vtnaidu@seml.co.in)
- ii) Compliance Officer – [cs@seml.co.in](mailto:cs@seml.co.in)
- iii) C-AC – at his office address or at his the email id – [akbasu49@yahoo.com](mailto:akbasu49@yahoo.com)

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