



**WHISTLE BLOWER AND VIGIL MECHANISM
POLICY**

SAT INDUSTRIES LIMITED



SIGNATORIES

Version	Prepared by	Reviewed by	Confirmed by	Approved by
1.0	Mr. Nirav Patel (Company Secretary)	Mr. Harikant Turgalia (Chief Financial Officer)	Audit Committee	Board of Directors
2.0	Ms. Alka Gupta (Company Secretary)	Mr. Harikant Turgalia (Chief Financial Officer)	Audit Committee	Board of Directors

VERSION CONTROL

Version	Date	Description	Description of Changes
1.0	27.03.2015	Whistle Blower and Vigil Mechanism Policy	New Policy
2.0	13.02.2023	Whistle Blower and Vigil Mechanism Policy	Aligned with SEBI (LODR) Regulations, 2015 and amendments



1. Purpose

- 1.1 The policy on the code of conduct and business ethics framed by **SAT Industries Limited** (the “**Company**”) requires all its employees to observe the highest degree of professional ethics in conduct of their duties and responsibilities. Section 177(9) of the Companies Act, 2013, as amended (“**Companies Act**”), Regulation 9A (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (“**Insider Trading Regulations**”), and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations**”) require *inter alia* companies with listed securities to frame a vigil mechanism/ whistle-blower policy for directors and employees to report genuine concerns (including the leak of UPSI (*defined below*)). Accordingly, the Company has framed this policy (“**Policy**”).
- 1.2 The purpose of this Policy is to enable a director or an employee or any other person to report an unethical practice or malpractice of any employee or group of employees within and/or outside the Company: (i) irrespective of the position/influence of the individuals against whom the complaint is being made; and (ii) with an assurance that the Whistle Blower (*defined below*) may always report incident(s) discreetly or anonymously without their identity being revealed and without any fear or threat of being put to harm.
- 1.3 This Policy is available for ready reference on the Company’s website.
- 1.4 This Policy is intended to be in conformity with the Companies Act, Listing Regulations and Insider Trading Regulations as on the date of its adoption. However, if due to subsequent modifications in any of the aforementioned laws or any other applicable law, a provision of this Policy or any part thereof becomes inconsistent with such laws, the modified provisions of the law shall prevail.

2. Definitions

- 2.1 **Audit Committee** shall mean the committee constituted by the board of directors of the company in accordance with Section 177 of the Companies Act and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 as amended.
- 2.2 **Board** Means the Board of Directors of the Company.
- 2.3 **Company** means SAT Industries Limited.
- 2.4 **Employee or Personnel** means any employee/s and Director/s who are in employment of the Company.
- 2.5 **Corporate Misconduct** shall mean unlawful and intentional misrepresentation or inducement of a course of action by deceit or other dishonest conduct, involving acts or omissions or the making of false statements, orally or in writing, with the objective of obtaining money or other benefits. Such dishonest activities include but are not limited to:



- a) forgery or alteration of documents;
 - b) misrepresentation of information on documents;
 - c) misappropriation of funds, supplies or any other asset;
 - d) theft, disappearance or destruction of any other asset;
 - e) improprieties in the handling and/or reporting of money transactions;
 - f) authorizing or receiving payments for goods not received or services not performed;
 - g) authorizing or receiving payments for days not worked
 - h) any violation of regulatory and statutory and local laws related to dishonest activities;
or
 - i) any similar or related activity.
- 2.6 **Improper Business Conduct** shall mean an intentional promise, offer or gift by any person, directly or indirectly, of an advantage of any kind whatsoever to a person, as undue consideration for themselves, or for anyone else, to act or refrain from acting in the exercise of their functions, or the intentional request or receipt by a person, directly or indirectly, of an undue advantage of any kind whatsoever, for themselves or for anyone else, or the acceptance of offers or promises of such advantages to act or refrain from acting in the exercise of their functions.
- 2.7 **Organizational Malpractice** shall mean any of the following:
- a) Corporate Misconduct;
 - b) Improper Business Conduct;
 - c) a substantial mismanagement of the Company's resources;
 - d) unfair practices in engaging the services of a vendor;
 - e) giving preferential treatment in vendor pricing in violation of any vendor evaluation process or vendorempanelment process; or
 - f) conduct involving substantial risk to the environment that would, if proven constitute:
 - i) a criminal offence;
 - ii) reasonable grounds for dismissing or dispensing with, or otherwise terminating, the services of the Company's employee/s who was/were, or is/are, engaged in that conduct; or
 - iii) reasonable grounds for disciplinary action.
- 2.8 **Whistle Blower** shall mean an employee (permanent, temporary or contract employee) or a director of the Company or any other person who has reported a Whistle Blower Disclosure, which they have the discretion to report anonymously or discreetly without their identity being revealed.
- 2.9 **Vigilance and Ethics Officer** means the person acting as a Whole-time Director of the Company i.e Mrs. Shehnaz D. Ali
- 2.10 **Whistle Blower Committee** shall comprise the, chief financial officer, compliance officer, vigilance and ethics officer or any other persons as may be decided by the Audit Committee.
- 2.11 **Whistle Blower Disclosure(s)** shall mean a deliberate, voluntary disclosure in relation to an individual or organizational unethical practice; Organizational Malpractice; actual, suspected and/or anticipated wrongdoing by an employee or a group of employees, a director of the Company; or a leak or suspected leak of UPSI, as described in more detail under the policy and procedures of the Company for inquiry in case of leak of UPSI.



- 2.12 **UPSI** has the meaning ascribed to the term in the policy and procedures of the Company for inquiry in case of leak of UPSI.
- 2.13 **“Investigator”** shall mean any person appointed by the Whistle Blower Committee (including but not limited to any senior officer of the Company or a committee of the managerial personnel of the Company or an external agency).

3. Reporting and investigation process

- 3.1 As soon as any relevant incidents/facts come to the notice of any employee (permanent, temporary or contract employee) or director or any other person, such employee or director or any other person may make a Whistle Blower Disclosure in the following manner:
- a) to the Whistle Blower Committee by sending an email to harikant.turgalia@satgroup.in; or
 - b) by any online system implemented by the Company, if any; or
 - c) if such employee or director or any other person is unwilling or unable to make a disclosure in writing, they may approach the Vigilance and Ethics Officer either directly, or through their superior/any other employee. The Vigilance and Ethics Officer shall prepare a written summary of the employee’s or director’s or any other person’s Whistle Blower Disclosure and shall submit the same to the Whistle Blower Committee.
- 3.2 All Whistle Blower Disclosures received by the Whistle Blower Committee shall also be shared with the Audit Committee. Further, in appropriate and/or exceptional cases, the Whistle Blower shall have direct access to the chairperson of the Audit Committee.
- 3.3 The Whistle Blower Committee shall appropriately and expeditiously investigate all Whistle Blower Disclosures received. The Whistle Blower Committee shall appoint an Investigator to investigate the matter. The Investigator may take the assistance of domain knowledge experts in consultation with the Whistle Blower Committee. For conducting the investigation under this Policy, the Whistle Blower Committee, or the Investigator, as the case may be, shall have right to call for any information/document and examination of any employee of the company or other person(s), as they may deem appropriate. Depending upon the sensitivity and type of the Whistle Blower Disclosure, the Audit Committee has the discretion to investigate the matter themselves or advise the Whistle Blower Committee to take any specific actions.
- 3.4 After completion of the investigation, the Investigator shall submit an investigation report to the Whistle Blower Committee.
- 3.5 Whistle Blower Committee shall prepare and submit its recommendation to the Audit Committee as per the format prescribed in **Annexure – A** as near to as may be possible. The Audit Committee shall determine the course of action and if required, may recommend disciplinary measures or other corrective action may order for remedies as they deem fit.
- 3.6 Depending on the seriousness of the matter, the Audit Committee has the discretion to submit the investigation reports and recommendation to the board of directors of the Company.
- 3.7 In case of repeated frivolous disclosures being made by any employee and/or director, the Audit Committee may take suitable disciplinary action against such employee and/or director including taking steps to reprimand them.



4. Roles and responsibilities

- 4.1 The roles and responsibilities of the Whistle Blower Committee under this Policy shall include the following:
- a) to receive and take cognizance of the Whistle Blower Disclosure along with supporting verifiable evidences / documents;
 - b) to acknowledge the receipt of Whistle Blower Disclosure within 7 (seven) working days;
 - c) to ascertain the facts from the Whistle Blower to the extent possible;
 - d) to carry out investigation upon the Whistle Blower Disclosure, and interrogate the employees against whom the Whistle Blower Disclosure has been made;
 - e) to appoint an Investigator to investigate the matter (if deemed to be necessary under the circumstances) and to submit the report to the Whistle Blower Committee;
 - f) to prepare a recommendation report as per the format prescribed in **Annexure – A** as near to as may be possible and submit the same to the Audit Committee; and
 - g) to oversee the implementation of the measures, actions or remedies recommended by the Audit Committee.
- 4.2 The roles and responsibilities of the Audit Committee under this Policy shall include the following:
- a) to oversee the vigil mechanism under this Policy (including calling for all necessary records and reports, and make such recommendations that may be fit and necessary under the circumstances); and
 - b) to ensure that adequate measures and safeguards are taken that are fit and necessary in order to prevent victimization of the whistle blower. In all such cases, the person being victimized shall have the right to approach the Audit Committee (who shall involve its chairperson, and in their absence, the director so nominated by the chairperson in arriving at a conclusion or decision). The Audit Committee shall treat victimization as a serious matter, and after reviewing the complaint, may take appropriate actions (including institution of disciplinary proceedings against any employee or director engaging in such practices) to ensure such person is not victimized.
- 4.3 If any member of the Whistle Blower Committee or the Audit Committee has a conflict of interest in any of the Whistle Blower Disclosures received, such member shall be required to recuse themselves from that matter. Subsequent to such recusal, the other members of the Whistle Blower Committee or Audit Committee, as applicable, shall deal with the matter.

5. Quarterly report

- 5.1 The Whistle Blower Committee shall prepare a quarterly report and submit such report to the Audit Committee.
- 5.2 The quarterly report shall contain the following details:
- a) number of Whistle Blower Disclosures remaining unresolved as on the beginning of the quarter
 - b) number of Whistle Blower Disclosures received during the quarter;



- c) number of Whistle Blower Disclosures disposed-off during the quarter
- d) number of cases pending at the end of the quarter

6. Appeal/Escalation

- 6.1 In case the Whistle Blower is not satisfied with the action taken by the Audit Committee, they may prefer an appeal to the Chief Financial Officer of the Company, and any direction passed by him shall be final and binding.
- 6.2 In case the Whistle Blower Committee does not acknowledge the Whistle Blower Disclosure so made by the Whistle Blower within 7 (seven) working days, he / she may escalate the Whistle Blower Disclosure to the Chief Financial Officer of the Company. In case of such escalation, the chief financial officer of the Company shall:
 - a) remand the Whistle Blower Disclosure to the Whistle Blower Committee; and
 - b) require the Whistle Blower Committee to attend to the matter immediately, and report closure of the matter.

Annexure – A

**Recommendation Report by the Whistle
Blower Committee**

Date of Whistle Blower Disclosure	Whistle Blower's name,email, contact details (unless anonymous)	Details of WhistleBlower Disclosure	Findings of the Investigation	Recommendation of the Committee