

Vigil Mechanism for Directors and Employees

PREAMBLE

Shiva Pharmachem Limited has formulated a Code of Conduct (the Code), for the Directors and Employees that lays down the principles and standards that should govern the actions of the Company and their employees. It provides an opportunity to Directors and Employees of the Company to report their genuine concerns about any unethical behavior or violation of Company's Code of Conduct. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

Section 177(9) of the Companies act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 provides for mandatory establishment of vigil mechanism for the Directors and employees of the Company to report their genuine concerns in the prescribed manner. 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.

DEFINITIONS

- Audit Committee means the Audit Committee constituted/re-constituted from time to time, by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- Code" means this Code of Conduct for Vigil Mechanism.
- "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosure should be factual and not speculative in nature.
- "Employee" means every employee of the Company including the Directors in the employment of the Company.
- "**Vigilance Officer/Vigilance Committee** is a person or Committee of persons, nominate, appointed or approached by the Audit Committee to receive protected disclosures from Directors and Employees of the Company, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Director and Employee the result thereof.

OBJECTIVES

Shiva Pharmachem Limited has established this Vigil Mechanism Policy to encourage its Directors and the Employees to come forward and report their genuine concerns of any unethical behavior, or any actual or suspected fraud or any violation of Code of Conduct or policy that comes to their notice without any fear of punishment or unfair treatment.

This mechanism provides for adequate safeguards against victimization of Directors and employees who use such mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

SCOPE:

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and 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. 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.

ELIGIBILITY:

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

PROCEDURE:

All Protected Disclosures should preferably be reported in writing by the complainant as soon as possible so as to ensure a clear understanding of the issues raised. The written communication should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Complainant.

It is suggested that the Protected Disclosure should be forwarded under a covering letter super scribed as "Protected Disclosure under Vigil Mechanism Policy" signed by the Complainant which shall bear the identity of the Complainant to the Chairman of Audit Committee in case of any accounting or financial matters or matters concerning the Vigil Officer and Employees of top level management of the Company and in matters concerning other Employees of the Company to the Vigil Officer of the Company. Alternatively it can also be sent through Email.

Anonymous Disclosure shall not be entertained by the Vigilance officer or the Chairman of the Audit Committee as it would not be possible to communicate with the complainant in case any further clarification is required from the complainant on such protected disclosure.

The Contact Details of the Vigilance Officer and Chairman of Audit Committee are as follows:-

Name & Address of Vigilance Officer: Mr. Tarang Maru

Company Secretary
Shiva Pharmachem Limited
9th Floor, ABS Tower, Old Padra Road,
Vadodara- 390007, Gujarat.

Name & Address of Chairman of Audit Committee: Mr. Rakesh .S. Agrawal

9th Floor, ABS Tower,
Old Padra Road,
Vadodara-390007, Gujarat

The Vigilance Officer or the Chairman of the Audit Committee shall detach the covering letter and discuss only the Protected Disclosure with Members of the Audit Committee to decide further action in the matter.

In order to protect identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainant and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Vigilance Officer. In case if the Vigilance officer requires any further clarification from the complainant on the matter he/she will get in touch with the complainant.

Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to enable proper assessment of the nature and extent of the concern.

INVESTIGATION

All Protected Disclosures reported under this Policy will be thoroughly investigated by the Vigilance Officer / Chairman of the Audit Committee of the Company under the authorization of the Audit Committee.

Vigilance Officer or the Chairman of Audit Committee may at its discretion consider involving any investigators for the purpose of Investigation and such investigators shall submit their report or information which have come in their notice during investigation to the Vigilance Officer or the Chairman of the Audit Committee.

The decision to conduct an investigation taken by the Vigilance Officer or Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Complainant that an improper or unethical act was committed.

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

The employee against whom the complain has been received will be given an opportunity to be heard and it shall be his/her duty to co-operate with the Vigilance Officer or the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt

The employee against whom the complain has been received have a right to consult with a person or persons of their choice, other than the Vigilance Officer and/or Investigators and/or members of the Audit Committee and/or the Complainant and he/she shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

During the course of the investigation the employee against whom the complain has been received shall neither interfere in such an investigation nor shall try to threatened or influence the witnesses or destroy or temper with the Evidence.

Employee against whom complain has been received and investigated have a right to be informed of the outcome of the investigation and if allegations are not sustained, he/she should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

The investigation shall be completed normally **within 90 days** of the receipt of the Protected Disclosure

PROTECTION

No unfair treatment will be meted out to the Complainant by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against

victimization of complainants shall be provided. The Company will take steps to minimize difficulties, which the Complainant may experience as a result of making the Protected Disclosure.

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

DECISION AND REPORTING

If an investigation leads the Vigilance Officer or the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer or the Chairman of the Audit Committee shall recommend such disciplinary or corrective action as it deems fit. It is clarified that any disciplinary or corrective action initiated against the employee against whom complain has been received 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.

The Vigilance officer shall submit his/her report as well as the report received from the investigators to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

COMMUNICATION

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

RETENTION OF DOCUMENTS

All written Protected Disclosures along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

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 Employees unless the same is notified to the Employees in writing.