



PARAMOUNT SPECIALITY  
FORGINGS LIMITED

# VIGIL MECHANISM POLICY

---



91-22-2373 26563



[www.paramountforge.com](http://www.paramountforge.com)



3, 1, Guru Himmat Building, Dr.  
Mascarenhas Road Anjirwadi,  
Mazgaon, Mumbai - 400010

## Vigil Mechanism Policy/ Whistle Blower Policy

### 1. Introduction/Preface

Paramount Speciality Forgings Limited (“the Company”), incorporated in the May 5, 2023, is converted from a Limited Liability Partnership M/s. Paramount Speciality Forgings LLP, carrying on business since June 27, 2019 and is engaged in the business of manufacturing and supply of Carbon Steel, Stainless Steel, Alloy Steel, Special Alloy Steel, Duplex Steel, Super Duplex Steel, Titanium, Aluminum Flanges, Fitting, Rings, Profiled Rings, Tube Sheets, Blanks, Nozzles and other non-standard Forged Components.

Section 177 (9) & (10) of the Companies Act, 2013 states that:-

- a) Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
- b) The 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.
- c) Provided that the details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board’s report.

Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “LODR”) and as per Listing Agreement entered between listed companies and the Stock Exchange(s), inter alia, provides that :-

- a) The company shall establish a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy.
- b) This mechanism should also provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- c) The details of establishment of such mechanism shall be disclosed by the company on its website and in the Board’s report as per the provisions of Section 177 (1) of the Companies Act, 2013.

This Policy shall also ensures the confidentiality of the complainant’s identity, complaints and disclosures as well as the identity of the person against whom the complaint has been raised and investigation is being carried out by the competent authority, following the basic principles of natural justice.

### 2. Definitions

- i. ‘Act’ means the Companies Act, 2013.
- ii. ‘Board’ means the Board of Directors of the Company.
- iii. ‘Company’ means Paramount Speciality Forgings Limited.
- iv. Code means Company’s Code of Conduct for regulating, monitoring and reporting of trading by insiders.
- v. ‘Employee’ means every employee including permanent employee, temporary employee, outsourced employee and contractual employee of the Company including Whole-time Directors.
- vi. “Audit Committee” means a Committee constituted by the Board of Directors of the Company in accordance with section 177 of The Companies Act, 2013 and Regulation 18 of the LODR read with the Listing Agreement entered with the Stock Exchange(s).
- vii. Ombudsperson will be a Non- Executive Director or any Key Managerial Person (KMP) or any senior managerial personnel (SMP’s) of the company for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

- viii. “Disciplinary Action” means any punitive action (more fully and particularly described in clause 8 of this Policy) that can be taken against the accused, where the Committee finds him/ her guilty on completion of or during the investigation proceedings.
- ix. ‘Protected Disclosure’ means any communication in writing made in good faith that discloses or demonstrates information that may evidence unethical behaviour, actual or suspected fraud, violation of the Codes/Policies of the Company and leak or suspected leak of unpublished price sensitive information etc.
- x. Un-published Price Sensitive Information (“UPSI”) means any information, relating to a Company or its securities, directly or indirectly, that is not generally available and which, upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following:
- a) Periodical financial results of the Company;
  - b) Intended declaration of dividends (Interim and Final);
  - c) Change in capital structure i.e. Issue of securities, buy – back of securities or any forfeiture of shares or change in market lot of the Company’s shares;
  - d) Mergers, De–mergers, Amalgamation, Acquisitions, De–listing of Securities, Scheme of Arrangement or Takeover, disposals, spin off or selling division of whole or substantially whole of the undertaking and expansion of business and such other transactions;
  - e) Any major expansion plans or execution of new projects or any significant changes policies, plans or operations of the Company;
  - f) Changes in Key Managerial Personnel;
- xi. “Whistle Blower” means a Director or an employee of the Company making a Protected Disclosure under this Policy.

### 3. Objective

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and provide for direct access to the Chairman/ CEO/ Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor from raising malicious or unfounded allegations against people in authority and / or colleagues in general.

### 4. Scope of the policy

This policy has been designed for Directors, Employees, vendors, suppliers or any other stakeholder to report genuine concerns/complaints/grievances. The policy shall also provide for adequate safeguards against victimization of Director(s) or Employee(s) or any other person who avail the mechanism and provide for direct access to the Board of Directors in appropriate or exceptional cases.

This Policy encourages all the Whistle Blowers to report any kind of misuse of Company’s properties, mismanagement or misconduct prevailing/executed in the Company or any kind of violation of laws, rules and regulations, which the Whistle Blower in good faith, believes, evidences any of the following:

- i. Abuse of authority;
- ii. Negligence causing substantial and specific danger to public health and safety;
- iii. Manipulation of the Company data / records;
- iv. Financial irregularities, including fraud or suspected fraud;
- v. Pilferage of confidential / propriety information;
- vi. Deliberate violation of the applicable laws / regulations to the Company;
- vii. Wastage / misappropriation of the Company’s funds / assets;
- viii. Violation of the Codes / Policies of the Company;
- ix. Leak of Unpublished Price Sensitive Information.

## 5. Role and Responsibility of Whistle Blower

- i. The Whistle Blower shall report his/her genuine concerns, complaints, grievances or disclosures along with reliable information.
- ii. The Whistle Blower shall co-operate with the Board under this Policy and extend all necessary support including production of documentary evidences to investigate the Complaints.
- iii. The Whistle Blower is neither required to act as investigator nor permitted to determine the appropriate or remedial action on behalf of the Company.
- iv. The Whistle Blower may lodge his/her Disclosure/Complaint to the Board by sending an e-mail with proper information and details to any of the Directors of the Company or by sending a hand written/typed letter addressed to any of the Directors of the Company under this Policy or in exceptional circumstances by verbal or telephonic communication.
- v. The Whistle Blower must indicate his/her name, contact details and relationship with the Company in the Complaint. Relevant supporting documents/evidences and a brief background must form an integral part of the written Complaint. No unnamed Complaint shall be entertained.
- vi. The Whistle Blower shall exercise caution before lodging a Complaint to ensure that he/she is not doing so under influence of any person and / or any past incidence.
- vii. If the Complaint relates to a fact/incident, the Whistle Blower must lodge the Complaint within 30 days from the date he/she became aware of such fact / incident.

## 6. Malicious Whistle Blowing

- i. Whistle Blowers who shall report Complaints which are found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, the Competent Authority would reserve its right to recommend / pronounce appropriate disciplinary action.
- ii. If any Whistle Blower lodge Complaint, which is of malicious in nature, in that case the Competent Authority may bar that Whistle Blower from making Complaint under this Policy for a period the Competent Authority deems fit; Competent Authority may take / recommend appropriate disciplinary action as well.

## 7. Procedure

- i. All Protected Disclosures along with supporting evidences shall be made by Whistle Blower as soon as possible but not later than 30 days after becoming aware of the events which have taken place/suspected to take place together with supporting evidences about the event shall be sent to the contact details as provided hereunder:

**Board of Directors**  
**Paramount Speciality Forgings Limited**  
3, 1, Guru Himmat Building, Dr. Mascarenhas Road, Anjirwadi, Mazgaon, Mumbai - 400010  
Email: [compliance@paramountforge.org](mailto:compliance@paramountforge.org)

- ii. Protected Disclosures should be addressed to the above said persons in a sealed envelope marked as "Private & Confidential".
- iii. The Board of Directors, if on review believes that Protected Disclosure have some genuine concerns, shall order for preliminary inquiry in respect of the same.
- iv. If Disclosures / Complaint are made against any of the office bearer who is an ex - officio Competent Authority, such office bearer will be barred to act as Competent Authority in the said proceedings / investigation and shall extend co-operation to the Competent Authority if sought for in such proceedings.

- v. After preliminary inquiry, if the complaint is found to have merit, a detailed procedure for investigation of Protected Disclosures shall take place. The Board may constitute a Committee/appoint one or more person(s)/entity(ies) [including external consultant(s)] to investigate or assist in the investigation of Protected Disclosure.
- vi. The Board of Directors or such appointed person or entity shall have the right to call for any information / document and examination of any employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting inquiry/investigation.
- vii. The alleged will be informed of the allegations at the commencement of a formal investigation and will be provided opportunities of being heard during the investigation.
- viii. The investigation is to be treated as a neutral fact-finding process. Only the allegations supported by sufficient evidence would be investigated.
- ix. At the conclusion of investigation, if it is concluded that a violation has occurred or the allegations are substantiated, the Board shall take effective remedial measures commensurate with the severity of the offence. This may include disciplinary action against the Subject. The Company may also take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made. The Company reserves the right to refer any concerns or complaints regarding reported matter to appropriate external regulatory authorities.

## **8. Protection to Whistle Blower**

- i. Whistle Blower, who in good faith, makes a disclosure in accordance with this Policy shall not suffer unfair treatment such as retaliation, threat, discrimination or adverse employment consequences. The Company shall ensure that full protection is granted to Whistle Blower against any such unfair treatment. However, this Policy does not protect Whistle Blower from an adverse action which occurs independent of his/her Protected Disclosure, poor job performance or any other disciplinary action unrelated to Protected Disclosure made pursuant to this Policy.
- ii. Any personnel who retaliate against a Whistle Blower, who has raised a concern 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 and other actions as the Company may deem fit.
- iii. If any Whistle Blower, who makes a disclosure in good faith, believes that he/she is being subjected to discrimination, retaliation or harassment for having made a disclosure under this Policy, he/she must immediately report those facts to the Board of Directors.
- iv. Any other employee/business associate assisting in the said investigation shall also be protected to the same extent as Whistle Blower.

## **9. Disciplinary Actions**

The Company may take the following punitive actions against the alleged, where the Committee finds him/her guilty:

- i. Issue of an official reprimand cum warning letter;
- ii. Counselling;
- iii. Bar from participating in performance bonus review;
- iv. Cessation in increment of remuneration for a particular period as the Competent Authority deems fit;
- v. Termination from employment;
- vi. Cancellation of Orders placed as per Purchase / Work Order;
- vii. Recovery of monetary loss suffered by the Company;
- viii. Legal Suit or / and appropriate legal recourse under civil and criminal laws of the land;
- ix. Any other punitive action which the Competent Authority shall deem fit, provided it shall be proportionate to the offence committed by the accused;

## **10. Confidentiality**

- i. The Whistle Blower, the alleged, the Directors of the Company and everyone involved in the process of inquiry/investigation shall:
  - a) maintain complete confidentiality/secretcy of the matter and not to discuss the same in any informal/social gatherings/meetings.
  - b) discuss the matter only to the extent or with the persons required for the purpose of completing the process of inquiry/investigations.
- ii. If anyone is found not complying with the above, he/she shall be held liable for such disciplinary action, as may be considered fit.

## 11. Retention of Documents

All Protected Disclosures along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 8 years from the date of completion of investigation.

## 12. Reporting

The CEC shall submit a report to 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.

The details of the establishment of vigil mechanism, Whistleblower policy and affirmation that no personnel has been denied access to the Audit Committee will be stated in the section on Corporate Governance of the Annual Report of the Company.

## 13. Amendment

The Board may 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 them.

## 14. Effective Date

This Vigil Mechanism Policy/ Whistle Blower Policy shall be effective from November 1, 2023.

## 15. Guidelines

- i. Whistle Blower's Protected Disclosure must be supported by all factual evidences to substantiate the allegations against the Subject and facilitate carrying out of inquiry/investigation. Protected Disclosure should not be based on the hearsay evidence or other form of informal communication.
- ii. While this Policy is intended to protect genuine Whistle Blowers from any unfair treatment as a result of their disclosures, misuse of this protection by making frivolous and bogus complaints with mala fide intentions is prohibited. A Whistle Blower, who makes complaints with mala fide intentions and which are subsequently found to be false will warrant strict disciplinary action.
- iii. This Policy is not intended to question financial or business decisions taken by the Company's officials nor should it be used as a means to reconsider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. Further, this Policy is not intended to cover career related or other personal grievances.
- iv. To ensure that this Policy is adhered to and to assure that the concern will be acted upon seriously, the Company will:
  - a) Ensure complete confidentiality;
  - b) Ensure that Whistle Blower is not victimized for doing so and treat victimization as a serious matter including initiating disciplinary action on such person(s);
  - c) Not attempt to conceal evidence of Protected Disclosure;
  - d) Take disciplinary action, if any one destroys or conceals evidence of Protected Disclosures;
  - e) Provide an opportunity of being heard to the persons involved especially to the alleged.
- v. In case the Disclosure / Complaint made by a verbal or telephonic conversation, the Competent Authority may record the communication in a written or electronic / audio recording form at the earliest, to initiate next course of action.