

*UNITED POLYFAB GUJARAT LIMITED*

## **VIGIL MECHANISM**

# VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

## 1. PREFACE

- Section 177 of the Companies Act, 2013 mandates every listed company and such other class of companies, as may be prescribed, to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
- Further, Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 also provides for the manner in which the Vigil Mechanism shall be established.
- The Vigil Mechanism is required to give adequate safeguard against victimisation of director(s)/employee(s) who avail of the Vigil Mechanism and to make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.
- Considering the applicability of Section 177 of the Companies Act, 2013 the Company has formulated this Vigil Mechanism in compliance thereto.

## 2. DEFINITION AND INTERPRETATION

The definitions of some of the key terms used in this Mechanism are given below:-

- The term “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with SEBI Listing Regulations 18
- The Term “**Employee**” means every employee of the Company, including the Directors in the employment of the Company.
- The Term “**Investigator(s)**” mean the person(s) authorised, appointed, consulted or approached by the Audit Committee and includes the Auditors of the Company and the Police.
- The Term “**Protected Disclosure**” means a concern raised by an employee/director or group of employees/directors of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity falling under the title “**COVERAGE OF THE MECHANISM**” or Alleged wrongful conduct with respect to the Company.

- The Term “**Subject**” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- The Term “**Vigilance and Ethics Officer**” shall be Compliance Officer of the Company.
- The Term “**Compliance Officer**” means Company Secretary of the Company.
- The Term “**Whistle Blower**” means an employee/director or group of employees/director(s) who make a Protected Disclosure under this Mechanism and also referred in this Mechanism as complainant.

### 3. SCOPE

The Whistle Blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigator(s) or finder(s) of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigator(s). Protected Disclosure will be appropriately dealt with by the Audit Committee.

### 4. ELIGIBILITY

All Employees of the Company and all directors are eligible to make Protected Disclosures under the Mechanism. The Protected Disclosures will be in relation to matters concerning the Company.

### 5. COVERAGE OF THE MECHANISM:

- The mechanism covers malpractices and events which have taken place/suspected to take place involving:
  - (a) Alleged wrongful conduct;
  - (b) Abuse of authority;
  - (c) Breach of contract;
  - (d) Negligence causing substantial and specific danger to public health and safety;
  - (e) Manipulation of company data/records;
  - (f) Financial irregularities, including fraud, or suspected fraud;

- (g) Criminal offence;
  - (h) Pilferation of confidential information;
  - (i) Deliberate violation of law/regulation including Insider Trading;
  - (j) Misuse/misappropriation of Company's funds/assets;
  - (k) Breach of Company's Code of Conduct or Rules; and
  - (l) Any other unethical, biased, favoured, imprudent event.
- The Mechanism should not be used as a route for raising malicious or unfounded allegations against colleagues.

## 6. DISQUALIFICATIONS

While it will be ensured that genuine Whistle Blowers are given complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will attract disciplinary action. Protection under this Mechanism would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Mechanism.

## 7. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

- All Protected Disclosures should be in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi.
- The Protected Disclosure should be submitted in a closed and secured 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". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance and Ethics 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 any further correspondence with the Vigilance and Ethics Officer. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

- Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.
- The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance and Ethics Officer / Chairman of the Audit Committee/ MD/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee/ MD/ Chairman in exceptional cases.
- Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit Committee.
- On receipt of the protected disclosure the Vigilance and Ethics Officer / Managing Director / Chairman of the Audit Committee 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 before referring the matter to the Audit Committee for further appropriate investigation and needful action. The record will include:
  - i) Brief facts;
  - ii) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
  - iii) Whether the same Protected Disclosure was raised previously on the same subject;
  - iv) Details of actions taken by Vigilance and Ethics Officer / Managing Director for processing the complaint;
  - v) Findings of the Audit Committee;
  - vi) The recommendations of the Audit Committee / other action(s).
- The Audit Committee if deems fit may call for further information or particulars from the complainant.

## 8. INVESTIGATION

- All protected disclosures under this Mechanism will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any further officer of the Company.

- The decision to conduct an investigation taken by the Audit Committee by itself is not an accusation and is to be treated as a neutral fact finding process.
- 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.
- Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard to the extent that such cooperation will not compromise self incrimination protections available under the applicable laws.
- 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).
- 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.
- Subject(s) have a right to be informed of the outcome of the investigations.
- The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit and as applicable.

## 9. REPORTING:

A quarterly report with number of complaints received under the Mechanism and their outcome shall be placed before the Audit Committee and the Board.

## 10. SECURITY / CONFIDENTIALITY

The Whistle Blower, the Subject, the Vigilance Officer and everyone involved in the process shall:

- maintain complete and strict confidentiality/secretcy of the matter;
- not discuss the matter with any other person other than one required for enquiry/investigation into the matter;
- discuss only to the extent required for the purpose of completing the process and investigations;
- not keep the papers unattended anywhere at any time; and
- keep the electronic mails/files under password.

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

## **11. PROTECTION**

- No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Mechanism. The Company, as a Mechanism, condemns any kind of discrimination, harassment, retaliation victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice. Those working for or with the Company who engages in retaliation or other means as described above against the Whistle Blower may also be subjected to civil, criminal and legal action in accordance with governing laws besides disciplinary action by the Company.
- The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under the applicable laws.
- Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

## **12. AMENDMENT**

The Board reserves the right to amend or modify this Mechanism in whole or in part, at any time without assigning any reason, whatsoever.