

# VIGIL MCHANISM POLICY

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[Pursuant to Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Power) Rules, 2014]

## **Munjal Kiriu Industries Private Limited**

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Corporate Identification No.: U34200DL2007PTC166351

Registered Office: 603, International Trade Tower, Nehru Place, New Delhi-110019, India.

Factory/Works: Plot No. 192, Sector-4, IMT Manesar, Gurgaon 1220050, Haryana, India.

*Author: Company Secretarial & Legal Wing*



## PREAMBLE

M/s. Munjal Kiriu Industries Private Limited (hereinafter referred to as "MKIPL" or "Company" in this document) is committed to conducting its business in a fair and transparent manner with integrity including in accordance with all applicable laws of land.

Section 177 of the Companies Act, 2013 requires every listed company and the Companies belonging to the following 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.

- (a) The companies which accept deposits from the public;
- (b) The companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.

The Company has adopted a Code of Conduct for its Directors and employees ("the Code"), which lays down the principles and standards that shall govern the actions of its Directors and employees.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. 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 nominated director of the Company for the time being to play the role of Audit Committee for the purpose of vigil mechanism in appropriate or exceptional cases.

## POLICY

In compliance of the above requirements, the Company has established a Vigil Mechanism and formulated a Policy in order to provide a framework for responsible and secure vigil mechanism.

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## POLICY OBJECTIVES

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its Directors and employees who have genuine concerns about suspected misconduct/fraud/unethical behaviour to come forward and express these concerns without fear of punishment or unfair treatment.

The Vigil Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud, or violation of the Codes of Conduct or Policy.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to Nominated director of the Company for the time being to play the role of Audit Committee for the purpose of vigil mechanism in appropriate or exceptional cases.

This neither releases Directors and 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 or frivolous complaints about a personal situation.

## DEFINITIONS

In this Policy, unless the context otherwise requires:

**"Act"** means the Companies Act, 2013.

**"Audit Committee"** means a director nominated for the time being by the Board of directors of the Company to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

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**"Board"** means the Board of directors of the Company.

**"Code of Conduct"** means a set of rule/policy for the time being outlining the responsibilities of or proper practices for an employee, third party individual, party or organization.

**"Investigators"** mean those persons authorised, appointed, consulted or approached by the Nominated director or Vigilance Officer/the Committee thereof and includes the auditors of the Company and the police.

**"Policy"** means the Vigil Mechanism Policy formulated and established pursuant to Section 177 of the Companies Act, 2103 and the Rules made thereunder.

**"Protected Disclosure"** means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title **"SCOPE OF THE POLICY"** with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

**"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.

**"Vigilance Officer"/Vigilance Committee** is a person, nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Board through the Nominated director of the Company for its disposal and informing the Whistle Blower the result thereof.

**"Whistle Blower"** is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and/ or any other relevant law from time to time

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## SCOPE OF THE POLICY

The Policy is an extension of the Code of Conduct for Directors & employees and covers disclosure of any unethical and improper or malpractices and events (hereinafter also referred as "Reportable Matter" or "Protected disclosure") which have taken place/ suspected to take place involving:

1. Breach of the Company's Code of Conduct;
2. Breach of Business Integrity and Ethics;
3. Breach of terms and conditions of employment and rules thereof;
4. Intentional Financial irregularities, including fraud, or suspected fraud;
5. Deliberate violation of laws/regulations;
6. Gross or Willful negligence causing substantial and specific danger to health, safety and environment;
7. Manipulation of company data/records;
8. Corruption and bribery;
9. Discrimination in any form and violation of human rights;
10. Pilferation of confidential/propriety information;
11. Gross Wastage/misappropriation of Company funds/assets; and
12. Any other unethical, biased, favoured or imprudent event which will affect or likely to affect the interest of the Company. .

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It is notable that complaints concerning personal grievances, such as professional development issues, or employee's compensation, etc. are not reportable matters for the purpose of this Policy.

#### ELIGIBILITY

All Directors and employees of the Company regardless of their location are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company. Violation will result in appropriate disciplinary action.

Please familiarize oneself with this Policy and seek advice from the Company Secretary of the Company if any question arises.

#### ROLE OF THE NOMINATED DIRECTOR

The Nominated Director is responsible for supervising the development and implementation of this Policy, including the work of Vigilance Officers. The Nominated Director shall periodically review the Policy to consider whether amendments are necessary or not, and, if so, subject to laws of land, it shall communicate any such amendments to all Employees as soon as possible.

The Nominated Director shall receive reports from the Vigilance Officers concerning the investigation and resolution of Protected Disclosures made pursuant to the Policy on a regular basis about all Protected disclosure referred to him/them since the last report together with the results of investigation, if any, as per the guidelines for the time being given by the Nominated Director. In addition, the Nominated Director shall have responsibility to oversee and co-ordinating the investigation of any unethical and improper or malpractices and events including serious Protected Disclosures concerning the alleged violation of laws or regulations.

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## PROCEDURE AND REPORTING MECHANISM

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in Hindi or English, or in the regional language of the place of employment of the Whistle Blower.

The Protected Disclosure should be submitted under a covering letter signed by the complainant disclosing his/her identity in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy" or sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

To enable the proper investigation of any Reportable Matter, a Protected Disclosure should include as much information as possible concerning the Reportable Matter.

To the extent possible, the following information should be provided.

- (i) the nature of the Reportable Matter (for example, if the Reportable Matter concerns an alleged violation of the Code of Conduct, please refer to the provision of the Code of Conduct that is alleged to have been violated);
- (ii) the names of the Employees to which the Reportable Matter relates (for example, please provide the name of the business unit that is alleged to have violated the Code of Conduct);
- (iii) the relevant factual background concerning the Reportable Matter (for example, if the Reportable Matter concerns a violation of the Code of Conduct, please include information about the circumstances and timing of the violation); and

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- (iv) the basis for the Protected Disclosure (for example, where knowledge of the alleged violation is based upon documents in the Whistle-blower's possession or control, please provide a copy of the pertinent documents).

All Protected Disclosures shall be addressed to the following officers for the time being Vigilance Officer and/or Nominated director of the Company in exceptional cases.

Sl. No.	Subject against whom Protected disclosure may be made	Vigilance Officer/ Vigilance Committee	e- mail ID	Address
1.	Employees up to GM/President Level	Chief Financial Officer		Plot No. 192, Sector 4, IMT Manesar, Gurgaon 122050, Haryana
		Advisor to Managing Director		-----do-----
		Company Secretary		-----do-----
2.	Employees above GM/President Level	Nominated Director		-----do-----
3.	In exceptional cases for Employees mentioned in Sl. No. 1 & 2	Nominated Director		-----do-----
4.	Nominated Director	Company Secretary (the said officer shall forward/submit this Protected Disclosure to the Board of directors of the Company)		-----do-----

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In order to protect the identity of the complainant, the Vigilance Officers/Nominated Director will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer/Nominated director.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer/Nominated Director.

On receipt of the protected disclosure, the Vigilance Officer/Nominated director shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

### INVESTIGATION

All Protected Disclosures under this Policy will be recorded and thoroughly investigated. The Vigilance Officer/Vigilance Committee will carry out an investigation either himself/herself/itself, or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Nominated Director of the Company. In some circumstances, Nominated director will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency.

The Vigilance Officer/Nominated Director/an outside agency, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

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The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Nominated director deems fit.

Nominated/any Vigilance Office/any outside agency having any conflict of interest in a given matter shall disclose his/her/its concern/interest forthwith and shall recuse himself.

The aforesaid investigation shall be based on the Principle of Natural Justice and under supervision of the Nominated director..

### DECISION AND REPORTING

If an investigation leads to a conclusion that an improper and unethical act, or malpractices and events has been committed, Nominated Director for the time being shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

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.

In each and every Board meeting a report with number of complaints received under the Policy and their outcome shall be placed before the Board.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Nominated Director shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

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### CONFIDENTIALITY

The complainant, Vigilance Officer, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations, keep the papers in safe custody and/or keep electronic records/communication password protected.

### PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. This includes discrimination, victimization, retaliation, demotion or adoption of any unfair employment practices, etc. Adequate safeguards against victimisation of complainants shall be provided. The Company will take appropriate steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under laws of land.

Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a Whistle Blower. A Whistle Blower may not be granted protection under this mechanism if he/she is subject of a separate complaint or allegations related to any misconduct.

If a complainant believes that she or he has been treated adversely as a consequence of his/her use of the vigil mechanism can approach the Nominated director in confidence. The contact information of the Nominated director is provided in this document.

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Any other directors/employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

The Board/Nominated director shall also provide adequate safeguards and protection to the Vigilance Officer for the time being.

### DISQUALIFICATIONS

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

Protection under this Policy 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 any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be appropriate actions as per the laws of land. Some Protected Disclosures made in good faith/banafidely may not result in any investigation or action at a later stage, in such circumstances no action shall be initiated against the Whistle Blower.

### ACCESS TO NOMINATED DIRECTOR OF THE COMPANY

The Whistle Blower shall have right to access to nominated director of the Company for the time being to play the role of Audit Committee for the purpose of vigil mechanism in appropriate or exceptional cases.

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### COMMUNICATION

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

### 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 8 (Eight) years or such other period as may be specified by any other law in force, whichever is more.

### 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 Directors and employees unless the same is not communicated in the manner described as above.

(This document is approved by the Board of directors at its meeting held on the 20<sup>th</sup> day of June, 2014)

*Certified True Copy*  
For Munjal Kiri Industries Pvt. Ltd.  
  
Managing Director

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