

## **METAL COATINGS (INDIA) LIMITED**

### **VIGIL MECHANISM POLICY/ WHISTLE BLOWER POLICY**

#### **PREAMBLE**

Section 177 of the Companies Act, 2013 requires every listed company to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Further such vigil mechanism shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The Company has set up and adopted the following Vigil Mechanism for Directors and Senior Management Personnel (“the Code”), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

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 victimisation 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.

Regulation 22 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 provides for a mandatory requirement for all listed companies to establish a mechanism called ‘Vigil Mechanism’ for Directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company’s code of conduct.

Further, Regulation 9A(6) of the Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 also mandates to have a whistle-blower policy for all listed companies and to make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

#### **POLICY**

In compliance of the above requirements, Metal Coatings (India) Limited, (“MCIL”/ “Company”), being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blower/vigil mechanism.

#### **POLICY OBJECTIVES**

- The Vigil (Whistle Blower) 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 policy.
- 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 employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

- The mechanism provides for adequate safeguards against victimisation of Directors and employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- The Policy also aims to provide employees the procedure for reporting in case of Leak of Unpublished Price Sensitive Information and suspected Leak of Unpublished Price Sensitive Information pursuant to Regulation 9A(6) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.
- This neither releases 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 about a personal situation.

## DEFINITIONS

1. “**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.
2. “**Scope of the Policy**” 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.
3. “**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.
4. “**Unpublished Price Sensitive Information**” 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 including but not restricted to, information relating to the following:
  - i. financial results;
  - ii. dividends;
  - iii. change in capital structure;
  - iv. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - v. changes in key managerial personnel.
5. “**Vigilance Officer/Vigilance Committee or Committee**” is a person or Committee of persons, nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
6. “**Whistle Blower**” is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

## SCOPE

The Policy covers disclosure of any unethical and improper or malpractices and events 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 Wilful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets

## **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 be reported in writing in the format as provided in **Annexure-1** 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 English.
- The Protected Disclosure should be submitted under a covering letter signed by the complainant 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.
- All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.
- The contact details of the Vigilance Officer are as under:-  
**Company Secretary & Compliance Officer**  
**Email: info@mcilindia.net**  
**Phone: 011-41808125**
- The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle-blower. The Chairman of the Audit Committee / Vigilance Officer, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

## **INVESTIGATION**

- All Protected Disclosures under this policy will be recorded and thoroughly investigated.
- The Vigilance Officer 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 before referring the matter to the Audit Committee of the Company.
- The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside 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.
- 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.
- Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

## **DECISION AND REPORTING**

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee 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.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and 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 Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## **CONFIDENTIALITY**

The complainant, Vigilance Officer, Members of Audit Committee, 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 and keep the papers in safe custody.

## **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. Adequate safeguards against victimisation of complainants shall be provided. The Company will take 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 law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **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 prosecuted.

### **ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

### **COMMUNICATION**

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

### **WHISTLE BLOWER PROCESS IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF INFORMATION**

#### **REPORTING:**

The Complainant shall report instance of leak of unpublished price sensitive information and all suspected violations to:

- (i) the Immediate Superior
- (ii) Company Secretary & Compliance Officer; at **info@mcilindia.net**

If the complainant has reasons to believe that his immediate superior, Company Secretary & Compliance Officer is involved in the suspected violation, the complainant may report instance of leak of UPSI to the Chairman of Audit Committee of the Company, **Mr. Satish Kumar Gupta at khandelwal\_1957@yahoo.com.**

### **INQUIRY IN CASE OF LEAK OF UPSI**

The Company has formulated policies and procedures for enquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information in order to initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

## **RESPONSIBILITIES:**

### **Employees**

- Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern.
- Co-operate with investigating authorities, maintaining full confidentiality.
- The intent of the policy is to bring genuine and serious issues to the fore. Malicious allegations by employees must be avoided and will be viewed negatively.
- A complainant has the right to protection from retaliation. But this does not extend to immunity to the complainant for collusion in the matters that are the subject of the allegations and investigation.

### **Compliance Officer**

- Ensure that the policy is implemented and wide coverage given including putting up on the notice boards, intranet site and including the same in the induction process of new joiners.
- Acknowledge receipt of the complaint to the complainant.
- Ensure that necessary safeguards are provided to the complainant.
- To carry investigation in the complaint.
- Document the details of the complaint, the investigation process and the final outcome. Minute Committee deliberations, wherever applicable, and document the final report.

### **Reporting process**

Compliance Officer to provide a quarterly report to the Audit Committee.

### **Chairperson of the Audit Committee**

- Conduct the enquiry in a fair, unbiased manner
- Ensure complete fact-finding.
- Maintain strict confidentiality.
- Decide whether an improper practice has been committed and if so by whom.
- Committee to present the investigation result to the Ombudsperson or the Chairperson of the Audit Committee and if required by them, to recommend an appropriate course of action.
- The Chairperson of the Audit Committee to decide disciplinary action, including dismissal and preventive measures.

### **Investigation Subject**

- Provide full co-operation to the Investigation team.
- Be informed of the outcome of the investigation.
- Accept the decision of the Chairperson of the Audit Committee.
- Maintain strict confidentiality.

### **GUIDELINES**

#### **Harassment or Victimisation:**

Harassment or victimisation of the complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee.

#### **Confidentiality:**

Every effort will be made to protect the complainant's identity, subject to legal constraints.

#### **Anonymous Allegations:**

All concerns expressed anonymously will be accepted and investigated.

### **RETENTION OF DOCUMENTS**

All Protected disclosures in writing or documented along with the records (both Physical and Electronic) collected during the course of investigation and results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more. In case any complaint is filed to Police, etc based on investigation carried out, then the records shall be retained for a period of 8 years from the date of completion of investigation by outside agency or decision by the court of law.

### **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.

*Annexure 1*

**Date** : \_\_\_\_\_

**Name of the Complainant** : \_\_\_\_\_

**Employee/Director** : \_\_\_\_\_

**E-mail ID** : \_\_\_\_\_

**Address** : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Contact No.** : \_\_\_\_\_

**Subject Matter which is being reported** : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Name of Person/Event focused at** : \_\_\_\_\_

**Brief about concern** : \_\_\_\_\_

\_\_\_\_\_

**Evidence (If any)** : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Signature**