



Vigil Mechanism / Whistle Blower Policy



PREFACE

EMA INDIA LIMITED (hereinafter referred to as “the Company”) is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and to full and accurate disclosures. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The purpose of this mechanism is to eliminate and help to prevent malpractices, to investigate and resolve complaints, take appropriate action to safeguard the interests of the Company and to ensure that any person making a complaint (hereinafter referred to as “a whistleblower”) is protected, while at the same time actively discouraging frivolous and insubstantial complaints. Company shall oversee the vigil mechanism through Audit committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

SCOPE OF VIGIL MECHANISM

- *To act as an additional internal element of the Company’s compliance and integrity policies.*
- *Not a substitute for other formal internal arrangements and procedures.*
- *Seeks to ensure that anyone who is aware (director or employee of the company) of a breach of Company policies and procedures, suspected or actual frauds and embezzlement, illegal, unethical behavior or violation of company’s code of conduct or ethics etc., feels free to bring this to the attention of appropriate personnel in the Company, without fear of victimization, harassment or retaliation.*

APPLICABILITY

This Mechanism applies to the following:

- *All the Directors*
- *All the employees of the Company*

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Section 177 (9) of the companies Act, 2013 read with Rules framed there under (including any exception(s), modification(s) or adaptation(s), as the time being in force), inter-alia, provides requirement for certain class of companies to establish a vigil mechanism for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the law.

In line with the commitment and legal requirement, the Company has established Vigil/ Whistle Blower Mechanism and formulated policy for the same. This Vigil Mechanism is required to provide adequate safeguards against victimization of persons who use such mechanisms and also to ensure direct access to Chairman and members of the Audit Committee in appropriate or exceptional cases.

DEFINITIONS

1. ***“Act”*** means the Companies Act, 2013 read with relevant rules made there under; as amended from time to time;
2. ***“Audit Committee”*** means a Committee constituted by the Board of Directors of the Company in accordance with the Companies Act, 2013;
3. ***“Board”*** means the Board of Directors of the Company;
4. ***“Company”*** means EMA INDIA LIMITED.
5. ***“Disciplinary Action”*** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
6. ***“Employee”*** means every employee on the permanent or temporary rolls of the Company.
7. ***“Fraud”*** in relation to affairs of a company or anybody corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.
8. ***“Investigation 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.
9. ***“Ombudsperson”*** will be a person, who is appointed as such by the Audit Committee of the Company.
10. ***“Policy”*** means The Vigil Mechanism/Whistle Blower Policy.
11. ***“Protected Disclosure”*** means any communication made in good faith by the whistle

blower that discloses or demonstrates information that may indicate evidence towards unethical or improper activity.

- 12. “Whistle Blower”** means a person making a Protected Disclosure under this Policy. Whistle Blower or complainant could be Director(s)/employee.
- 13. “Wrongful Gain”** means the gain by unlawful means of property to which the person gaining is not legally entitled.
- 14. “Wrongful Loss”** means the loss by unlawful means of property to which the person losing is legally entitled.

DISCLOSURE

*The information on suspected wrongful conduct should be such information which is intended to cover serious concerns that could have a large impact on the Company such as actions in enlisted in following **illustrative list**, which should **not be considered as exhaustive**:*

- 1.** *Abuse of Authority*
- 2.** *Breach of contract*
- 3.** *Negligence causing substantial and specific danger to public health and safety*
- 4.** *Manipulation of company data/records*
- 5.** *Financial irregularities, including fraud, or suspected fraud*
- 6.** *Criminal offence*
- 7.** *Pilferage of confidential/propriety information*
- 8.** *Deliberate violation of law/regulation*
- 9.** *Wastage/misappropriation of company funds/assets*
- 10.** *Breach of employee Code of Conduct or Rules*

11. Any other unethical, biased, favored, imprudent event
12. Amount to serious improper conduct, including any kind of harassment (sexual or otherwise)

Policy should not be used for raising malicious or unfounded allegations against colleagues.

INVESTIGATION

1. Whistle Blower can make Protected Disclosure to Ombudsperson, as soon as possible after becoming aware of the suspected or actual frauds and embezzlement, illegal, unethical behavior or violation of company's code of conduct or ethics etc.
2. Whistle Blower must put his/her name to allegations. Concerns expressed anonymously **WILL NOT BE** investigated.
3. If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage and the basis for such dismiss will be recorded and such decision will be documented.
4. Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by the Ombudsperson in coordination with the Audit Committee.

DOCUMENTATION AND REPORTING

1. Written report of the findings would be made. The record would include:
 - a. Facts of the Matter
 - b. Whether the Protected Disclosure was raised previously by anyone or not, and if made, the outcome thereof;
 - c. Whether any Protected Disclosure was raised previously against the same Investigation

Subject;

- d. The financial/ otherwise loss which has been incurred / would have been incurred by the Company;*
 - e. Findings of Ombudsperson /Audit Committee;*
 - f. Impact Analysis (If applicable);*
 - g. The recommendations of the Ombudsperson on disciplinary/other action/(s);*
 - h. The timeline for final decision of investigation (Maximum 15 days)*
- 2. Ombudsperson shall prepare the report on finding and submit to the Audit Committee, which shall discuss the matter & may:*
- a. In case the Protected Disclosure is proved, take such Disciplinary Action as the Audit Committee may think fit and take preventive measures to avoid reoccurrence of the matter;*
 - b. In case the Protected Disclosure is not proved, extinguish the matter and take note of the same;*

Or

- a. Depending upon the seriousness of the matter, the Audit Committee may refer the matter to the Board with proposed disciplinary action/countermeasures. The Board may decide the matter as it may deem fit.*
- 3. In case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand.*
- 4. In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairman of Audit Committee.*

PROTECTION

1. *No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.*
2. *The Company, as a policy, condemns any kind of discrimination, harassment, 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 like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.*
3. *As a matter of general deterrence, the Company shall publicly inform employees of the penalties imposed and discipline of any person from misconduct arising from retaliation.*
4. *Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.*
5. *The Company will take steps to remove difficulties if any, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.*
6. *The identity of the Whistle Blower shall be kept confidential.*
7. *Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.*
8. *The independent directors shall ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such*

mechanism are not prejudicially affected on account of such use;

SECRECY AND CONFIDENTIALITY

The Whistle Blower, the Investigation Subject, the Audit Committee, the Ombudsperson and everyone involved in the process shall:

- a. Maintain complete confidentiality/ secrecy of the matter*
- b. Not discuss the matter in any informal/social gatherings/meetings*
- c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations*
- d. Not keep the papers unattended anywhere at any time*
- e. 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 action as is considered fit.

AMENDMENT

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time. Any amendment to the Policy shall take effect from the date when it is approved by the Audit Committee of the Company.