

Vigil Mechanism of Bank Note Paper Mill India Private Limited

➤ Preface:

The Companies Act 2013 read in conjunction with Companies (Meetings of Board and its Powers) Rules, 2014 has now mandated every company which has borrowed money from banks and public financial institutions in excess of fifty crore rupees to establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances.

Accordingly, this Vigil Mechanism Policy (VMP) has been formulated and implemented.

➤ Objectives

The company's service rules/standing orders, operating procedures, administrative policies etc. lays down the principles and standards that should govern the actions of the company and its employees. They, inter-alia, intended to prevent and detect improper or illegal activities. Any actual or potential violation of the above, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The company not only encourages but requires employees to report any violations or suspected violation.

The VMP creates a safe and confidential environment for the employees to make such reports. VMP provides a channel to the employees and directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of company's policies and procedures etc.

The VMP provides safeguards against victimisation of employees and directors who avail of the vigil mechanism.

VMP 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 against people in authority and / or colleagues in general.

➤ Scope

This Policy covers alleged wrongful conduct affecting the interest of the company and formally reported by Informers.

All employees and directors of the company are covered under this policy.

➤ Definition

1. **'Alleged Wrongful Conduct'** means malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, unethical or improper activities, violation of company policies and procedure or rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, the offer, promise soliciting or receipt of gratification as an inducement or reward to a person to do or not to do any act with a corrupt intention, disclosure of confidential/proprietary information to any outsider and any other matters or activity

on account of which the interest of the Company is affected and formally reported by Informers concerning its employees.

2. **Employees** mean all employees, present or future, probation or permanent who are on the rolls of the company.
3. **Company** means Bank Note Paper Mill India Private Limited
4. **Director** means a member in the Board of the Company.
5. **Board** means Board of Directors of the Company
6. **Informer** is director/employee or group of directors/employees who reports in writing about any alleged wrongful conduct.
7. **Nodal officer** is a director nominated by the Board to oversee the Vigil Mechanism and to whom other directors and employees may report the concerns.
8. **Investigating committee** means a group of officers of the company nominated by Nodal Officer to investigate the allegation of wrongful conduct.
9. **Suspect** person means a director/employee or group of directors/employees against or in relation to whom an allegation of wrongful conduct is made or evidence gathered during the course of investigation.

➤ Procedure for reporting allegation and process of vigil mechanism:

1. All allegations shall be reported to the Nodal Officer in writing in the below mentioned format

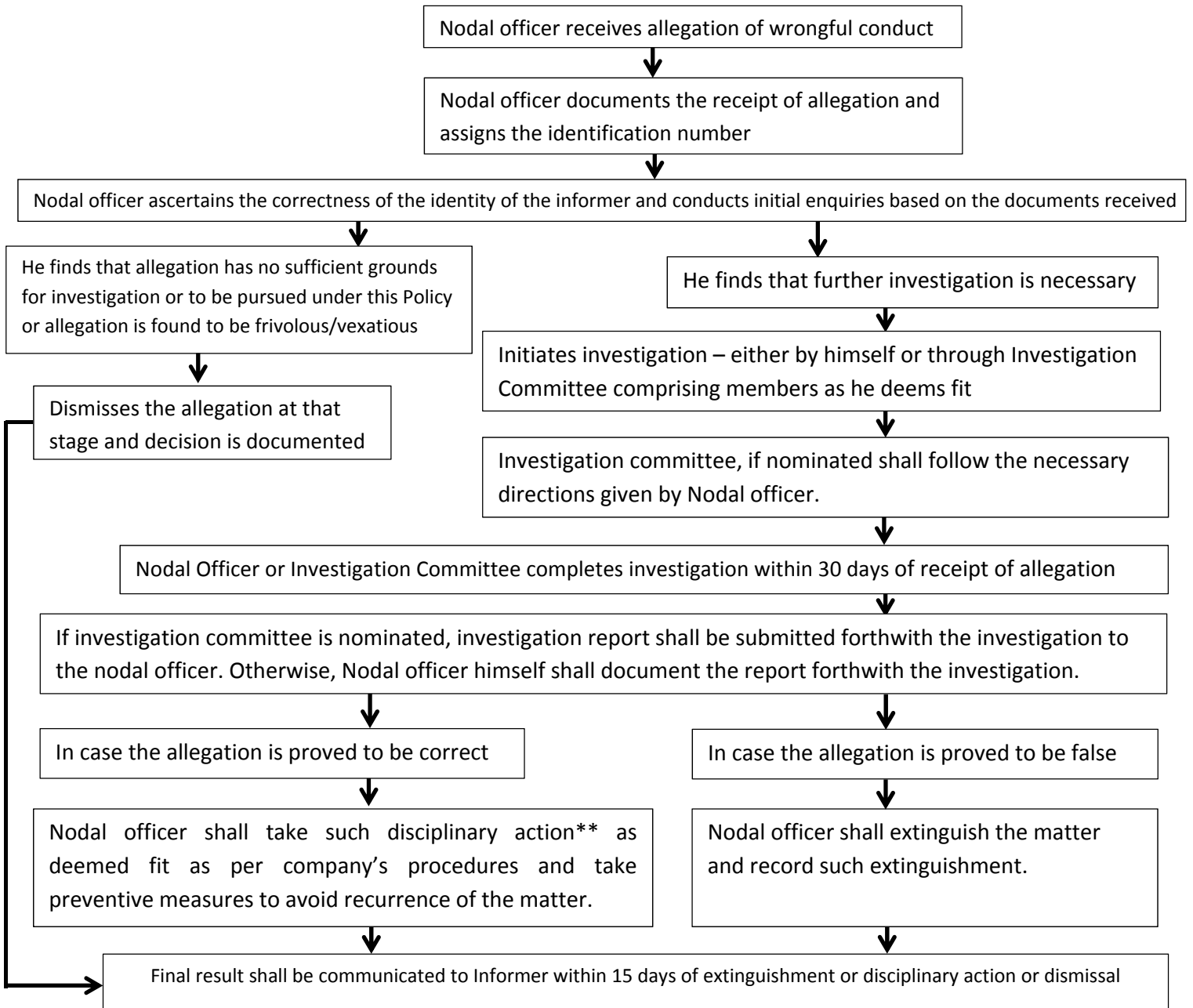
Date:
Name of the Informer:
Employee ID No. of Informer:
Communication address, phone no. and e-mail ID of the Informer:
Name of the Suspect:
Activity suspected in brief:
Details of evidence, if any:
“I, _____ allege the wrongful conduct mentioned above in good faith and I reasonably believe that the allegation made by me is substantially true”
Signature of Informer:

2. It may either be typed or written in a legible handwriting in English. Informer shall invariably mention his name. Anonymous concerns will not be considered.
3. It may either be handed over in person to the Nodal Officer or may be sent by courier/post in a sealed cover.

4. Details of Nodal officer:

Suspect	Address of Nodal officer
Employees other than Managing Director	The Managing Director Bank Note Paper Mill India Pvt Ltd, Administrative Building, Entry Gate -1, Note Mudran Nagar, Mysore - 570 003
Managing Director	The Chairman, Bank Note Paper Mill India Private Limited c/o Security Printing and Minting Corporation of India Limited 16 th Floor, Janpath, New Delhi - 01

5. On receipt of the allegation, the below mentioned process shall be followed by Nodal officer:



➤ ** Disciplinary actions may include:

1. initiating measures proceedings including suspension/termination against the concerned suspect
2. taking appropriate administrative steps for redressing the loss caused to the company as a result of the corrupt practice or misuse of office or misuse of discretion, as the case may be;
3. recommend to the appropriate authority or agency for initiation of criminal proceedings under the relevant laws for the time being in force, if so warranted by the facts and circumstances of the case;

the nodal officer may take any other measures not falling under (1) – (3) above which may be necessary for the purpose of this policy.

➤ Exemptions:

No person shall be required or be authorised by virtue of provisions contained in this policy to act upon or answer any such question or produce any document or information or render any other assistance in the inquiry under this policy if such question or document or information is likely to prejudicially affect the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign State, public order, decency or morality or in relation to contempt of court, defamation or incitement to an offence.

➤ Safeguard against victimisation

1. **No unfair treatment will be meted out to an Informer by virtue of his/her having reported an alleged wrongful conduct under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Informer. If an informer is discriminated/harassed/victimized or treated unfairly in any manner, strict disciplinary action will be initiated against the person who is discriminating/harassing/victimizing or rendering unfair treatment. Protection will, therefore, be given to informers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the informer's right to continue to perform his duties/functions including making further allegation of wrongful conduct.**
2. **If the nodal either on the request, or witnesses, or on the basis of information gathered, is of the opinion that either the informer or any person rendering assistance for inquiry under this policy needs protection, the nodal officer shall issue appropriate directions to the concerned Government authorities (including police) which shall take necessary steps, through its agencies, to protect such informer or persons concerned.**
3. **Despite abundant protection, if any person is being victimised or likely to be victimised on the ground that he had made allegation or rendered assistance in inquiry under this policy, he may seek redressal in the matter from nodal officer, and such nodal officer**

shall take such action, as deemed fit and may give suitable directions to the concerned party to protect such person from being victimised or avoid his victimisation. Every direction of the nodal officer shall be binding upon the suspect and all persons involved in the matter. Any person, who wilfully does not comply with the directions of the nodal officer including maintaining secrecy of the informer, shall be subject to any disciplinary action and will be liable for a penalty upto Rs.30,000/-

➤ General Principles of Vigil Mechanism:

1. The alleged wrongful conduct as far as possible should be reported forthwith but care should be taken that the reporting shall not be beyond 5 working days from knowledge of wrongful conduct. In exceptional cases, the Nodal Officer, at his sole discretion may entertain the allegation beyond 5 working days.
2. The Informer's role is that of a reporting person with reliable information. He/ she is not required or expected to act as investigator or finder of facts, nor would he/she determine the appropriate corrective or remedial action that may be warranted in a given case.
3. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. Investigators shall derive their authority and access rights from the Nodal officer when acting within the scope of investigation. Technical and other resources may be drawn upon as necessary to augment the investigation.
4. Unless there are compelling reasons to do so, suspects will be given the opportunity to respond to findings of the nodal officer/investigation committee. No allegation of wrongful conduct against a suspect shall be considered as maintainable unless there is good evidence in support of the allegation.
5. The identity of the Informer shall be kept strictly confidential at all times i.e. during and after completion of the investigation.
6. If allegations are subsequently found to be mala-fide, frivolous, baseless, malicious, or reported otherwise than in good faith, Informer may be disqualified from reporting further under this Policy. Further, the Nodal Officers would reserve its right to take/recommend appropriate disciplinary action including leaving fine upto Rs.30,000/- against such Informers.
7. The outcome of the investigation may not support the conclusion of informer that there was a wrongful conduct. The decision of the Nodal officer shall be final and binding on all persons involved in the case.

8. Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues or for resolving individual's conflicts with the management.

➤ Secrecy/Confidentiality

The Informer, the suspect, the Nodal Officer, Investigation Committee and everyone involved in the process shall:

- maintain complete confidentiality/ secrecy of the matter
- not discuss the matter in any informal/social gatherings/ meetings
- discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- not keep the papers unattended anywhere at any time
- 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.

➤ Reporting

The Nodal officer shall submit a report annually to the Board of Directors about all allegations on wrongful conduct together with the final result.

➤ 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.
