



**MODERN INSULATORS LIMITED**

**POLICY ON VIGIL MECHANISM/WHISTLE**  
**BLOWER**

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

### **1. PREFACE**

1.1. Section 177 of the Companies Act, 2013 and pursuant to clause 49 of the listing agreement requires that every listed company shall establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. 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 the chairperson of the Audit Committee in appropriate or exceptional cases.

1.2. Under these circumstances, Modern Insulators Limited (“MIL”), being a Listed Company proposes to establish a Vigil Mechanism/Whistle Blower Policy and to formulate a policy for the same.

### **2. POLICY OBJECTIVES**

2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud etc. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

### **3. DEFINITIONS**

3.1 **“Employee”** means every employee of the Company, including the Directors in the employment of the Company.

3.2 **Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature

3.3 **“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.

3.4 **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.

### **4. SCOPE OF THE POLICY**

4.1. This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and

malpractices and events which have/may taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

The policy neither release employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

## **5. ELIGIBILITY**

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## **6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES**

6.1. All Protected Disclosures should be reported 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/Hindi.

6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as **“Protected disclosure under the Whistle Blower Policy”**. Alternatively, the same can also be sent through email. 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.

6.3. Anonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.

6.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Chairman of the Audit Committee shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

6.5. All Protected Disclosures should be addressed to the Chairman of the Audit Committee.

6.6. On receipt of the protected disclosure, the Chairman of the Audit Committee shall carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;

- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Vigilance and Ethics Officer/Chairman of the Audit Committee for processing the complaint;
- e) Findings of the Audit Committee
- f) The recommendations of the Audit Committee/other action(s).

## **7. INVESTIGATION**

7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/or an outside agency for the purpose of investigation.

7.2. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

7.3. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer/Investigators and/or members of the Audit Committee and/or the Whistle Blower.

7.4. Subject(s) have a responsibility not to interfere with the investigation.

7.5. 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.

7.6. Subject(s) have a right to be informed of the outcome of the investigations.

7.7. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and may be extended by such period as the Audit Committee deems fit.

## **8. DECISION AND REPORTING**

8.1. If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that 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.

8.2. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

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

## **9. SECRECY / CONFIDENTIALITY**

9.1. The complainant, Members of Audit Committee, the Subject and everybody who involved in the process shall maintain confidentiality of all matters under this policy and discuss only the extent or with those person as required under this policy for completing the process of investigations.

## **10. PROTECTION**

10.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will be given to Whistle Blowers 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 Whistle Blower's right to continue to perform his duties /functions including making further Protected Disclosure.

10.2. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

## **11. COMMUNICATION**

11.1. A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

## **12. RETENTION OF DOCUMENTS**

12.1. 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 7(seven) years or such other period as specified by any other law in force, whichever is more.

## **13. ADMINISTRATION AND REVIEW OF THE POLICY**

13.1. The Chief Financial Officer shall be responsible for the administration, interpretation, application and review of this policy. The Chief Financial Officer also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

## **14. AMENDMENT**

14.1. The Company reserves its right to amend or modify this Policy in whole or in part, at anytime without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.