

# Parekhplast India Limited

## Vigil Mechanism Policy

### 1. PREAMBLE

Pursuant to Section 177 of the Companies Act, 2013 (the Act) mandates the following classes of Companies to constitute a Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behaviors, actual or suspected fraud, or violation of Company Code of conduct or ethics policy.

- Every listed Company;
- Every other Company which accepts deposits from the public;
- Every Company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

Considering the applicability of Section 177 of the Companies Act, 2013, read with rule the Companies (Meeting of Board and its Powers) Rules 2014, the Company has formulated this Vigil Mechanism Policy ("Policy") ("Mechanism") in compliance thereto which is approved by the Board of Directors of the Company ('the Board') at its meeting held on 7<sup>th</sup> April 2021 which can be amended from time to time by the Board.

The Company maintains a Code of Conduct for the employees of the Company which lays down the principles and standards that should govern the action of the Company & its employees. Any actual or potential violation of such Code of Conduct would be a matter of serious concern and the Vigil Mechanism shall provide for adequate safeguard against victimization of person who uses such mechanism and make provisions for direct access to the Vigilance Officer for reporting any violation.

### 2. POLICY OBJECTIVES

The Company is committed to adhering 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. Vigil mechanism provides a channel to the employees to report to the management about unethical behavior, actual or suspected fraud, etc. The mechanism provides adequate safeguards against the victimization of employees and Directors to avail of the mechanism and also provides for direct access to the Vigilance Officer or to the Chairman of the Audit Committee in exceptional cases.

Provided however that the employees should maintain their duty of confidentiality in course of their duty to perform and do not raise any malicious or unfounded allegations against people in authority and/or against colleagues.

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### 3. ELIGIBILITY

All the employees of the Company, directors and stakeholders are eligible to make a protected disclosure under the Policy in relation to matters concerning the Company.

### 4. KEY DEFINITIONS

- a) **“Alleged wrongful conduct”** shall mean violation of law, Infringement of the Company’s rules, misappropriation of monies/fund, actual or suspected fraud, substantial and specific danger to public health and safety, or abuse of authority”;
- b) **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance with the Companies Act, 2013;
- c) **“Board”** means Board of Directors of the Company;
- d) **“Chairman”** means the Chairman of the Audit Committee;
- e) **“Code”** means the Code of Conduct adopted by the Company;
- f) **“Company”** means “PAREKHPLAST INDIA LIMITED” and all its offices;
- g) **“Directors”** means Directors on Board of the Company;
- h) **“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;
- i) **“Employee”** means all the present employees of the Company (whether working in India or abroad), including the Directors in the employment of the Company;
- j) **“Good Faith”**: An employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false, or frivolous;

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- k) **“Improper Activity”** means any activity by an employee of the Company that is undertaken in the performance of his or her official duty, whether or not that act is within the scope of his or her employment, and that is in violation of any law or the provisions of Company’s Code of Conduct applicable to the employees, including but not limited to corruption, bribery, theft, misuse of Company’s property, fraudulent claim, actual or suspected fraud, willful omission to perform a duty, actual or suspected leakage of sensitive information, etc.
- l) **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Company and/ Chairman of the Audit Committee or the Ombudsman and includes the statutory or internal auditors of the Company and the police;
- m) **“Ombudsman”** will be the designated officer of an agency appointed by the Company to implement this Whistle Blower Policy;
- n) **“Policy or This Policy”** means, “Vigil Mechanism/ Whistleblower Policy.”
- o) **“Protected Disclosure”** means a concern raised by an employee or group of employees of the Company, through written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative or in the nature of an interpretation/conclusion and should contain as much specific information as possible to allow for a proper assessment of the nature and extent of the concern.
- p) **“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.
- q) **“Vigilance Officer”** shall mean a person nominated/appointed by Audit Committee to receive protected disclosures from Whistle Blower/s, maintaining records thereof, placing the same before the Audit Committee for its disposal, and informing the Whistle Blower/s the result thereof.
- r) **“Whistle Blower”** is a Director or an employee or group of employees who make a Protected Disclosure under this Policy and are also referred to in this policy as Complainant.

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### 5. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 read along with the rules as amended from time to time.

### 6. SCOPE OF POLICY

All Employees and Directors of the Company who are associated with the company can raise concerns regarding malpractices and events which may negatively impact the company such as:

- o Manipulation of company data/records
- o Alleged wrongful conduct
- o Misuse or abuse of authority
- o Conflict of interest
- o Pilferation of confidential/propriety information
- o Misuse of company assets & resources
- o Breach of Company's code of conduct
- o Negligence causing substantial and specific danger to public health and safety;
- o Non-adherence to safety guidelines
- o Violation of law/regulation

And any other matters or activities on account of which the interest of the Company is affected.

### 7. GUIDELINES

#### a. PROTECTION UNDER POLICY

The vigil mechanism shall provide for adequate safeguards against victimization of employees and directors or such whistle blower who avail of the vigil mechanism and report their genuine concerns or grievances.

#### b. DISCLOSURE & MAINTENANCE OF CONFIDENTIALITY

Employees and directors shall report to through e-mail addressed to [hrd@parekhplast.com](mailto:hrd@parekhplast.com) . Confidentiality shall be maintained to the greatest extent possible.

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### c. FRIVOLOUS COMPLAINTS

In case of repeated frivolous/ mala fide complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand.

### 8. PROCEDURE

- i. All protected Disclosures should be reported in writing by the complainant/whistle Blower as soon as possible, after the Whistle Blower becomes aware of the same, and should either be typed or written in legible handwriting in English or Hindi.
- ii. The Protected Disclosure should be submitted under a covering letter signed by the Complainant in a closed and secured envelope to the Vigilance Officer or may be sent through email with the subject "Protected Disclosure under Vigil Mechanism Policy". The failure to super scribe the complaint as "Protected Disclosure under Vigil Mechanism" shall not relieve the Vigilance Officer from his/her duty to treat such a complaint as Protected Disclosure.
- iii. 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:

Name - Dili Tabhane

Email - [hrd@parekhplast.com](mailto:hrd@parekhplast.com)

The Protected Disclosure against the Vigilance Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director of the Company should be addressed to the Chairman of the Audit Committee of the Company. Protected Disclosure against the Chairman of the Audit Committee should be addressed to the Board of Directors.

- iv. If any Protected Disclosure is received by any executive of the Company other than the Vigilance Officer, the same should be forwarded to the Vigilance Officer for further appropriate action.
- v. In order to protect the identity of the Complainant/Whistle Blower, the Vigilance Officer, as the case may be, shall not issue any acknowledgment to the Complainant and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Vigilance Officer. The Vigilance Officer, of the Company shall

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assure that in case any further clarification is required he will get in touch with the Whistle Blower/s.

- vi. Anonymous/Pseudonymous disclosure shall not be entertained by the Vigilance Officer, however, it shall be the duty and responsibility of the Vigilance Officer/Audit Committee to protect the identity of the Whistle Blower.
- vii. On receipt of the Protected Disclosure, the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure. The Vigilance Officer shall make a record of the Protected Disclosure and also ascertain from the Whistle Blower/s whether he was the person who made the protected disclosure or not. The record will include:
  - Brief facts;
  - Whether the same Protected Disclosure was raised previously by anyone, and if so the outcome thereof;
  - Details of actions taken by Vigilance Officer of the Company for processing the complaint.
  - Findings of the Vigilance Officer of the Company.
  - The recommendations of Vigilance Officer of the Company/other action(s).
- viii. The Vigilance Officer of the Company, if deems fit, may call for further information or particulars from the Whistle Blower/s.

### 9. INVESTIGATION

- i. All Protected Disclosure 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 or through an outside agency at the advice of the Audit Committee.
- ii. 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 officers of the Company or outside agency for the purpose of investigation.
- iii. The investigation by itself would not be tantamount to an accusation and is to be treated as a neutral fact-finding process.
- iv. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of the investigation. The subject will be informed of the

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allegations at the outset of a formal investigation and shall be given an opportunity to explain his side.

- v. The Whistle Blower/s shall have a duty to cooperate with the Vigilance Officer / Chairman of Audit Committee, during the investigation to the extent that such cooperation sought does not merely require them to admit guilt.
- vi. Subject shall have the right to access any document/information for their legitimate need to clarify/defend themselves in the investigation proceedings.
- vii. Subject shall have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject shall be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company
- viii. Subject has a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed, or tampered with and the witness shall not be influenced, coached, threatened, or intimidated by the subject.
- ix. Unless there are compelling reasons not to do so, the Subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against the Subject shall be considered maintainable unless there is good evidence in support of the allegation.
- x. 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.
- xi. Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern forthwith and shall not deal with the matter.
- xii. In case the concern does not fall within the ambit of the Whistle Blower Policy, the sender shall be informed that the concern is being forwarded to the appropriate department/authority for further action, as deemed necessary.

### 10. 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.

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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 yearly report with the number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board from time to time.

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. The company may also consider rewarding the Whistle Blower, based on the merits of the case.

### 11. CONFIDENTIALITY

The Complainant, Vigilance Officer, members of the Audit Committee, the Subject, and everybody involved in the process shall, maintain the 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.

### 12. 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. 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, therefore, 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.

The Company will take steps to minimize 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.

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

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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.

### 13. 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 in accordance with the rules, procedures, and policies of the Company 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.

This will also apply to those Directors and employees, who make false statements or give false evidence during the investigations. Whistle Blower/s, the employees, at the same time are advised to refrain from using this facility for furthering their own personal interest with a malafide intention or to make protected disclosure which is subsequently found to be frivolous, baseless, malicious or reported otherwise than in good faith. In that event, the employees will make themselves liable for appropriate disciplinary action as per the relevant service rules / Standing Order of the Company.

### 14. COMMUNICATION

A whistle Blower policy cannot be effective unless it is properly communicated to employees and Directors. Directors and Employees shall be appropriately informed about the Policy and also informed by way of publishing on website of the Company.

### 15. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto, shall be retained for a period of 5 (Five) years or such other period as specified by any other law in force, whichever is more.

### 16. ACCESS TO THE CHAIRPERSON OF THE AUDIT COMMITTEE

The Whistle Blower shall have the right to access the chairperson of the Audit Committee directly in appropriate or exceptional cases and the chairperson of the Audit Committee is authorized to prescribe suitable directions in this regard, as may be deemed fit.

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### 17. DISCLOSURE IN ANNUAL REPORT:

The details of the establishment of the Vigil Mechanism/Whistle Blower Policy shall be disclosed by the Company in its Annual Report in the Board's Report.

### 18. ANNUAL AFFIRMATION:

The Company shall annually affirm that it has not denied access by any Directors or employees to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action. The affirmation shall form part of the Annual report of the Company.

### 19. RIGHT TO 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 communicated in the manner described above.