



# **Emami Paper Mills Limited**

## **VIGIL MECHANISM AND WHISTLEBLOWER POLICY**

**As approved by the Audit Committee and Board of Directors at their  
respective Meetings held on 05<sup>th</sup> February 2019**

## **1. INTRODUCTION**

The Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 requires a Company to have a Whistle Blower Policy and to establish a vigil mechanism for Members of the Board of Directors, employees and any other persons to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism should also provide for adequate safeguards against victimization of director(s)/ employee(s) and other persons who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

Emami Paper Mills Limited (the Company) believes that the activities of the Company and its employees should be conducted in a fair and transparent manner by the adoption of highest standards of Professionalism, honesty, integrity and ethical behavior. Towards these objectives, the Company has adopted Code of Conduct (the Code) which lays down the principles and standards which would govern the actions of the Company and its employees.

## **2. OBJECTIVES AND SCOPE**

The Code provides for the company to have a Vigil Mechanism and Whistle Blower Policy (the Policy) so that any potential violation of the Code should be taken up most seriously and appropriate steps should be taken by the management

The Policy has been formulated to enable all employees of the Company to raise concern against any malpractice such as immoral, unethical conduct, fraud, corruption, potential infractions of the Code of Conduct of the Company, breaches of copyright or patent and alike. This policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company.

Employees are given protection in two important areas - confidentiality and against retaliation. It is ensured that Employees can raise concerns regarding any violation or potential violation easily and free of any fear of retaliation, provided they have raised the concern in good faith. An Internal Auditor has been appointed to receive the complaints through email or letters who would investigate the complaints.

The Vigil Mechanism shall provide for adequate safeguards against victimization of Directors(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the Audit Committee inappropriate of exceptional cases.

Also, the employees and any other person can reach the Chairman of the Audit Committee.

The final decision would be taken by the Chairman of the Audit Committee in consultation with the Management. This Policy would help to draw the Company's attention to unethical, inappropriate or incompetent conduct which has or may have detrimental effects either for the organization or for those affected by its functions.

### **3. DEFINITIONS**

The definitions of some of the major terms used in this policy are given below.

a) "Audit Committee" means the Audit Committee constituted by the Board of Directors in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

b)"Company" means Emami Paper Mills Limited.

c) "Employees" means every employee of Emami Paper Mills Limited including the directors in the employment of the Company

d) "Investigators" means those persons authorized, appointed, consulted or approached by the Internal Auditor/ Chairman of the Audit Committee and includes the auditors of the Company and the police.

e) "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information which may evidence unethical or improper activity.

f) "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.

g) "Whistle Blower" means an employee making a protected disclosure under this policy.

h) "Unethical or improper activity" means but not limited to:

- i) Bribery, theft, fraud, coercion and wilful omission
- ii) Pass back of commissions/benefits or conflict of interest
- iii) Mismanagement, Gross wastage or misappropriation of company funds/assets/resources
- iv) Manipulation of Company data/records for personal benefit
- v) Stealing cash/company assets; leaking confidential or proprietary information
- vi) Unofficial use of Company's material/human assets
- vii) Activities violating Company policies including Code of Ethics and Conduct
- viii) An abuse of authority but excludes any private acts of an individual not connected with the business of Emami Paper Mills Ltd

i) "Other Person" means any person other than employees

j) Unpublished Price Sensitive Information (UPSI)

Unpublished price sensitive information means any information, relating to a company or its securities, directly or indirectly, that is not generally available 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, delisting, disposals and expansion of business and such other transactions; and

(v) changes in key managerial personnel.

#### **4. ROLE AND SCOPE OF WHISTLE BLOWER**

- a. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Internal Auditor or the Chairman of the Audit Committee or the investigators.
- c. Protected Disclosure will be appropriately dealt with by the Internal Auditor or the Chairman of the Audit Committee, as the case may be.

#### **5. ELIGIBILITY**

All Employees of the Company *and Other persons* are eligible to make protected disclosures under the policy. The protected disclosure may be in relation to matters concerning the Company at the Head Office, Units, and all other places of business.

#### **6. DISQUALIFICATION**

- a. 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.
- b. 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.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

#### **7. PROCEDURE**

- a. All Protected Disclosures concerning financial/accounting matters raised by the Employees(s) and other Persons should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- b. In respect of all other Protected Disclosures, those concerning the Internal Auditor and employees at the levels of Vice Presidents and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees/other persons should be addressed to the Internal Auditors of the Company.
- c. The contact details of the Chairman of the Audit Committee are as under:

**Chairman, Audit Committee**

Shri H. M. Marda

Olympus Court,

Flat C101/102.,

4/2 Sarat Bose Road, Kolkata- 700020,

\*Email Id mail@cmimpex.com

The contact details of the Internal Auditor are as under:

**Head, Internal Auditors, Kolkata Office**

M/s Ernst & Young India LLP, Internal Auditors

22 Camac Street, 3rd Floor, Block 'C'

Kolkata-700016

\*Email:vishal.budhia@in.ey.com

Tel: +91 3366153400/Fax: +913366153750

**\* Subject to change if the name of designated person changes.**

d. If a protected disclosure is received by any executive of the Company other than the Internal Auditor, the same should be forwarded to *the Internal Auditor or the Chairman of the Audit Committee* for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

e. Protected Disclosures should preferably be reported in writing 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 or in the regional language of the place of employment of the Whistle Blower. Alternatively, Protected Disclosures can also be reported orally to Internal Auditor /Chairman of Audit Committee.

f. 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 /Internal Auditor, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

g. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

**7(A) POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI) OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

**[In Compliance with Regulation 9A of SEBI (Prohibition of Insider Trading)Amendment Regulations,2018]**

**POLICY**

The Management intends to prevent the leak of Unpublished Price Sensitive Information (UPSI) or suspected leak of Unpublished Price Sensitive Information(UPSI).

The Company hereby adopts a Policy for Inquiry in case of a leak of UPSI or suspected leak of UPSI.

This Policy is applicable to all the Employees and any other Designated persons/any outsiders to report instances of concerns about the Leak or Suspected Leak of UPSI.

Employees can report their concerns to the Chairman of the Audit Committee directly or through their respective Head of the Departments (HODs)/ Compliance Officer of the Company.

Other persons/any outsiders can report their concerns to the Chairman of the Audit Committee or to the Compliance Officer Directly.

In case of any leak or suspected leak of UPSI, the mechanism shall be applicable as mentioned in the Vigil Mechanism and Whistle Blower Policy of the Company.

## **PROCEDURE**

In case of a leak or suspected leak of UPSI an Investigation shall be initiated by an Investigation team comprising with the following members:

1. Two (2) Independent Directors, including the Chairman of the Audit Committee;
2. One (1) Executive Director;
3. Company Secretary and Compliance Officer.

The Chairman of the Audit Committee will head the investigation team.

The Chairman of the Audit Committee can call any Senior Official(s) or Intermediary or Fudiciary of the Company as required to undertake the investigation.

The aim of the Investigation is to look into the complaint regarding the leak or suspected leak of UPSI.

The Investigation team shall report to the Board promptly of such leaks of UPSI, the status of Investigation, and results of the Investigation undertaken by them.

## **8. INVESTIGATION**

a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Internal Auditor / Chairman of the Audit Committee of the Company who will investigate/oversee the investigations under the authorization of the Audit Committee.

b. The Internal Auditor/ Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.

c. The decision to conduct an investigation taken by the Internal Auditor /Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

d. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

f. Subjects shall have a duty to co-operate with the Internal Auditor/Chairman of the Audit Committee or any of the Investigators during the investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

g. Subjects have a right to consult with a person or persons of their choice, other than the Internal Auditor / Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of

wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

## **9. PROTECTION**

a. 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, 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.

b. 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.

c. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **10. INVESTIGATORS**

a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Internal Auditor / Audit Committee when acting within the course and scope of their investigation.

b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.

c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Internal Auditor, as the case may be, which establishes that:

i. the alleged act constitutes an improper or unethical activity or conduct, and

ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review.

Provided that such an investigation should not be undertaken as an investigation of improper or unethical activity or conduct.

#### **11. DECISION**

If an investigation leads the Internal Auditor/ Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Internal Auditor/ Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Internal Auditor / Chairman of the Audit Committee 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.

#### **12. REPORTING**

The Internal Auditor shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations if any.

#### **13. RETENTION OF DOCUMENTS**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

#### **14. 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.