

# RMG POLYVINYL INDIA LIMITED

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

(Pursuant to Section 177 of the Companies Act, 2013)

Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 is as below:-

**Section 177 (9)** – Every listed Company or **such class or classes of companies\***, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.

**Section 177 (10)** – The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:

**Provided** that the details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board's report.

**\*Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.**

### **Establishment of vigil mechanism**

- (1) Every listed company and the companies belonging to the following class or classes shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances-
  - (a) the Companies which accept deposits from the public;
  - (b) the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.
- (2) The companies which are required to constitute an audit committee shall oversee the vigil mechanism through the 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.
- (3) In case of other companies, the Board of directors shall nominate a director to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

- (4) The vigil mechanism shall provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.
- (5) In case of repeated frivolous complaints being filed by a director or an employee, the audit committee or the director nominated to play the role of audit committee may take suitable action against the concerned director or employee including reprimand.

### **Definitions**

- (a) “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder.
- (b) “Board” means the Board of Directors of the Company.
- (c) “Complaint” means an expression of an improper activity, made in writing by any Director or Employee of the Company in conformity with this Policy.
- (d) “Complainant” or “Whistle Blower” means a complainant who makes Protected Disclosure under this Policy.
- (e) “Competent Authority” means the Chairperson of Audit Committee of the Board of Directors.
- (f) “Improper Activity” means any activity by an employee of the Company that is undertaken in 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 duty, actual or suspected leakage of unpublished price sensitive information etc.
- (g) “Protected Disclosures” means a bona-fide communication of any improper activity in relation to the matters concerning the Company, raised by a Director/ Employee of the Company through a written communication and made in good faith. The protected disclosure 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 proper assessment of the nature and extent of the concern.

## **Applicability to RMG Polyvinyl India Limited**

RMG Polyvinyl India Limited is not a listed Company nor has it accepted deposits from Public. However, the Vigil Mechanism becomes applicable to RMG Polyvinyl India Limited (RMG) on account of its borrowings from banks in excess of Fifty Crore rupees. [Rule 7(1)(b)]

The Vigil Mechanism Policy is applicable to all employees and/ or Directors of RMG. In compliance of these requirements, RMG has established a Vigil Mechanism and formulated a policy for the same.

### **Objective:**

RMG follows highest standards of business ethics and management practices in the conduct of its business. Forming a Vigil Mechanism policy is to encourage the employees and directors of the corporation to come forward and express their suspected misconduct concerns without fear of punishment or unfair treatment.

### **Policy:**

The Vigil Mechanism Policy is applicable to all employees and/or Directors of RMG with a purpose to raise concerns about unacceptable, improper or unethical practices being followed in the corporation, without informing the superior. Individuals will be protected against any adverse action and/ or discrimination as a result of such a reporting, provided it is justified and made in good faith.

The assurance and co-operation from the Management in safeguarding the interest of the individuals who choose to report matters of principles of the Management is reinforced by the Vigil Mechanism Policy. In the process, it is also to be ensured that the Policy is not misused.

### **Safeguarding the Interests**

Under Whistle Blower Policy, RMG shall ensure that the person who has made a Protected Disclosure under the Policy or rendered assistance in inquiry under the Policy, is not victimised by initiation of any proceedings or otherwise, merely on raising alarm over an act of corruption, misuse of power or discretion, to report concerns about unethical behaviour, actual or suspected fraud, leakage of unpublished price sensitive information or suspected leakage of unpublished price sensitive information or violation of the Code of Business

Conduct and Ethics for RMG's Board of Directors and Employees in RMG. The identity of the Whistle Blower will not be revealed unless the complainant himself has made the details of the complaint either public or disclosed his identity to any other office or authority.

The protection is available provided that:

- i. The disclosure/ complaint has been made in good faith.
- ii. The complainant/ Whistle Blower is not acting for personal gain
- iii. The complainant/ Whistle Blower reasonably believes that information or any allegation contained in the complaint / disclosure, is substantially true.

If the employee raising alarm as whistle blower, is aggrieved by any action on the ground that he is being victimized due to the fact that he had filed a complaint or disclosure, he may file an application before the Chairman, Audit Committee, for seeking redressal in the matter, who shall take such action as deemed fit.

However, if the complaint is found to be vexatious or misleading, disciplinary action will be taken against the concerned.

The corporation is forbidden from taking any adverse action against the Complainant for exercising rights as listed above. Adverse action includes:-

1. Discharging, or
2. Threatening, or
3. Discriminating against employment.

### **Vigil Mechanism Committee Members**

The names of the Vigil Mechanism Committee members are as under:-

1. Shri Ramesh Bhujang (Chairperson)
2. Shri Arvind Goenka
3. Shri Binod Kumar

### **Procedure for Disclosure / Complaint under Vigil Mechanism**

RMG will have the responsibility of keeping the identity of the directors, employee making disclosure as confidential. Hence, the person making any protected disclosure should comply with the following aspects:

- (i) The complaint should be in a closed/secured envelope addressed to the Chairman, Audit Committee of Board as under.

The Chairman  
Audit Committee of Directors  
RMG Polyvinyl India Limited  
UGSR-4, Ansal Plaza, Vaishali,  
Ghaziabad - 201010, Uttar Pradesh, India

- (ii) The envelope should be super scribed “Protected Disclosure under the Whistle Blower Policy”. If the envelope is not super scribed and closed, it may not be possible to protect the identity of person making disclosure under this Policy. The complainant should give his/her name and address in the beginning or end of complaint or in an attached letter. Any particulars w.r.t, Name, Address, etc. which may disclose the identity of the complainant shall not be mentioned on the envelope.

- (iii) Anonymous/pseudonymous complaints shall not be entertained.

- (iv) The text of the complaint should be carefully drafted so as not to give any details or clue to his/her identity. However, the details of the complaint should be specific and verifiable.

- (v) In order to protect identity of the person, RMG will not issue any acknowledgement and the whistle-blowers are advised not to enter into any further correspondence with RMG in their own interest. RMG assures that, subject to the facts of the case being verifiable, it will take necessary action, as provided in the Policy. If any clarification is required, RMG will get in touch with the complainant.

- (i) In order to protect identity of the person, RMG will not issue any acknowledgement and the whistle-blowers are advised not to enter into any further correspondence with RMG in their own interest. RMG assures that, subject to the facts of the case being verifiable, it will take necessary action, as provided in the Policy. If any clarification is required, RMG will get in touch with the complainant.

- (ii) Whistle blower should refrain from sending reminder or seeking further development/ action taken regarding disclosure made by him so as to protect his/her identity.

- (iii) An employee who knowingly makes false allegations under this Policy, shall be subject to disciplinary action and will not be protected under the Whistle Blower Policy.

- (iv) The Whistle Blower shall also declare that he / she has not made any complaint on the same subject matter to any outside Authority / Agency or under any other available

mechanism provided by the Company.

- (v) No action on the complaint shall be initiated in case the identity of the complainant is not provided or the same is found to be false or incorrect.

### **Procedure For Handling Whistle Blower Complaints**

- 1) All the envelopes super-scribed with “Protected Disclosures under the Whistle Blower Policy” will be opened in the presence of Chairman, Audit Committee of Directors, by authorised personnel as authorised by the Chairman, Audit Committee of Directors.
- 2) Once the Chairman, Audit Committee of Director approves admitting of the Complaint under Whistle Blower Policy the same will be entered into a Register maintained for this purpose containing brief particulars of the disclosure received under this Policy and a Unique Reference Number (URN) will be assigned to the Complainant.
- 3) Any further correspondence in respect to the complaint shall be addressed vide the URN assigned against it.
- 4) Within a reasonable period of receipt of a disclosure, the Authorised official shall provide an acknowledgement, followed by an initial response to the Whistle Blower on a selective basis.
- 5) The Authorised Personnel shall prepare a brief note along with supporting documents on the complaint received and shall place the same before the Chairman, Audit Committee of Directors for necessary directions. The note prepared will not contain any particular w.r.t. the identity of the complainant.
- 6) If there is any serious issue involved in any type of disclosure, the matter shall be brought to the notice of the MD & CEO. However, in case of conflict of interest, the matter shall be brought to the notice of Chairman of the Board or to the Board, as the case may be.

A Periodic report on the complaints received under this Policy shall be placed before the Audit Committee of Directors for review.

- 7) Any disclosure relating to Fraud and subject matters having vigilance implications will be brought to the notice of the CVO for further action.

### **Reporting/ Record**

The report regarding total number of complaints received, nature of complaint, outcome of investigation, actions recommended by the Vigil Mechanism Committee and implementation of the same shall be placed before the Audit Committee on quarterly basis.

### **Annual affirmation on the compliance of policy**

- The corporation shall annually affirm that it has not denied any Whistle Blower access to the Vigil Mechanism Committee of the corporation.
- The affirmation as referred above shall form part of the Directors' Report.

### **Savings**

The Board of Directors do hereby reserve the right to alter, amend or modify the clauses of the Policy from time to time in line with the requirements of Corporation or any other Act, Rules, Regulations etc. which may be applicable from time to time.

### **Responsibility for implementation**

The Audit Committee of Directors of RMG shall have the responsibility for overseeing the Vigil Mechanism in RMG.

### **Publicity on Website.**

This Whistle Blower Policy shall be placed on website of the Company

\*\*\*\*\*

*(Last updated on 8<sup>th</sup> November, 2024)*