

MANGALAM ENGINEERING PROJECTS LIMITED
CIN NO. L74899DL1984PLC017356

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

1. OBJECTIVE

MANGALAM Engineering Projects Limited (Mangalam) 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 directors and employees who have concerns about suspected violations of 'Code of Conduct' of the Company, unethical behaviour, actual or suspected fraud, to come forward and express these concerns without fear of punishment or unfair treatment. This Mechanism aims to provide an avenue for directors and employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

2. APPLICABILITY

This Mechanism applies to all the employees and directors of the Company.

3. MECHANISM

The Vigil Mechanism is formulated in line with the requirement of Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with requirements under Section 177(9) of the Companies Act, 2013, inter alia to provide opportunity to employees / directors to access in good faith, the Vigil Officer (in appropriate cases, the Audit Committee directly) in case, they observe unethical or improper practices (not necessarily a violation of law) and to secure those concerned from unfair termination and unfair prejudicial employment practices. Initially, it was recommended by Audit Committee and was approved by Board of Directors of the Company on 14th March 2015. It was amended by the Board of Directors on 05th February, 2019.

4. DEFINITIONS

- 4.1** “**Audit Committee**” is the committee which is constituted pursuant to Section 292A of the Companies Act, 1956 corresponding to Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with Stock Exchanges.
- 4.2** “**Company**” means, “Mangalam Engineering Projects Ltd.”
- 4.3** “**Complainant**” is someone who makes a Protected Disclosure under this Mechanism.
- 4.4** “**Director**” means a member of the Board of Directors of the Company.

4.5 “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.

4.6 “Employee” means every employee on permanent rolls of the Company at its various business locations.

4.7 “Good Faith” - An employee or a director is said to communicate in ‘good faith’ if there is a reasonable basis for the communication in writing of the existence of waste or of a violation or has observed unethical or improper practices.

‘Good Faith’ is lacking when the employee or a director does not have personal knowledge of a factual basis for the communication or where the employee or the director knew or reasonably should have known that the communication about the unethical or improper practices is malicious, false or frivolous.

4.8 Mechanism or This Mechanism” means, “Vigil Mechanism.”

4.9 “Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may indicate evidence of unethical behaviour, actual or suspected fraud or violation and improper activity. Protected Disclosures should be factual and not speculative in nature.

4.10 “Right of Access or Right of Approach” - The right to an employee or to a director to give a written communication to the Vigil Officer or to the Audit Committee, as the case may be, for the alleged misconduct or unethical or improper practice which an employee or a director has observed or have found.

4.11 “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 under this Mechanism.

4.12 “Unpublished Price Sensitive Information (UPSII)” means any information, relating to the Company or its securities, directly or indirectly, that is not generally available and which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily, be the information, including but not restricted to, the following:

- (a) Financial results;
- (b) Dividends;
- (c) Changes in capital structure;
- (d) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and

(e) Changes in Key Managerial Personnel.

4.13 “Vigil Officer” means an officer who is appointed, authorized or designated by the Audit Committee for the purpose of processing and investigating (to the extent of this Mechanism) into the protected disclosures and may include Auditors of the Company.

5. SCOPE

The following stakeholders of the Company are eligible to make Protected Disclosures under the Mechanism.-

- Employees of the Company,
- Directors on the Board of Directors of the Company.

A person belonging to any of the above mentioned categories can avail of the channel provided by this Mechanism for raising an issue covered under this Mechanism.

The Mechanism covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud or suspected fraud or deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
6. Any unlawful act whether Criminal/ Civil
7. Pilferation of confidential/propriety information
8. Deliberate violation of law
9. Wastage/misappropriation of company funds, property or manpower
10. A deliberate violation of any accounting principles, policies and regulations, reporting of fraudulent financial information to the shareholders, the government or the financial markets or any conduct that results in violation law, legal duties, code of conduct designed to protect the interest of employees / directors of the Company. However, this should not be merely technical or minimal in nature.
11. Breach of Company Mechanism or failure to implement or comply with any approved

Company Mechanism.

12. Sharing of Unpublished Price Sensitive Information (UPSI) from within the Company by with any un-authorized person which affects the market price of the securities of the Company.

EXCEPTIONS

- a) Any complaint or submission made under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 will be out of the scope of this Mechanism.
- b) Any matter related to inter personal issues with colleagues, grievances against the Company with regard to service conditions, organizational policies, terms and conditions of employment, etc. would be reported through existing organizational channels and would not be covered under this Mechanism.
- c) Reporting information which he / she does not have an authorization to access.

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:

- 6.1 All Protected Disclosure should be reported in writing by the complainant as soon as possible after the complainant becomes aware of the same so as to ensure a clear understanding of the issues raised and should be either typed or written in a legible handwriting in English.

6.2 Reporting Authority - Protected Disclosures concerning –

- a) The employees at the levels of Vice President and above should be addressed to the Chairman of the Audit Committee of the Company; and
- b) Other employees should be addressed to the Vigil Officer.

- 6.3 The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as '**Protected Disclosure under the Vigil Mechanism**'. Alternately, the same can also be sent through e-mail with the subject '**Protected Disclosure under the Vigil Mechanism**'. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Vigil Office and Audit Committee to protect the complainant and the Protected Disclosure will be dealt with as if a normal disclosure.

- 6.4 **Anonymous Allegation -** Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. **Disclosures expressed anonymously or under Pseudonyms will ordinarily NOT be investigated.**

6.5 The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigil Officer or the Chairman of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the complainant and process only the Protected Disclosure. The identity of the complainant shall be kept confidential.

6.6 The protected disclosure should be e-mailed or posted to the Vigil Officer or Chairperson of Audit Committee at the below mentioned address :-

i) Shri Nawal Khandelwal
Vigil Officer,
Mangalam Engineering Projects Limited
16, Hare Street, Kolkata-700 001
info@mangalamengineering.com

ii) The Chairperson,
Audit Committee
Mangalam Engineering Projects Limited
16, Hare Street, Kolkata-700 001

6.7 On receipt of the protected disclosure, the Vigil Officer / Chairperson of the Audit Committee as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also 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. Details of actions taken by Vigil Officer or Chairperson of the Audit Committee for processing the complaint.

6.8 The Audit Committee, if deems fit, may call for further information or particulars from the complainant. While determining the protected disclosure, the following factors may be considered –

- i) Accuracy of the information furnished;
- ii) Nature and quality of evidence;
- iii) Existence of relevant laws and rules;
- iv) Whether the action appears to be isolated or systematic;
- v) History of previous assertions regarding the subject matter;
- vi) What are the avenues available for addressing the matter;
- vii) Seriousness or significance of the protected disclosure and

viii) Cost and benefit of potential investigation.

7. INVESTIGATION

- 7.1** All Protected Disclosures under this Mechanism 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** The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.3** Subject(s) will normally be informed in writing of the allegations and have right to be heard. The Vigil Officer or the Committee must give adequate time and opportunity for the subject to communicate his/her say on the matter.
- 7.4** Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 7.5** Subject(s) have a right to consult with a person(s) of their choice, other than the Vigil Officer or the members of the Audit Committee and/or the Complainant.
- 7.6** Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 7.7** 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. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8** Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosures of the investigation results would be in the best interest of the Subject and the Company.
- 7.9** 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.

8. DECISION AND REPORTING

- 8.1** If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend to the functional head to take such disciplinary or corrective action as it may deem fit.
- 8.2** In case, a complainant makes Protected Disclosures which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, the Audit Committee may take suitable action against such complainant including reprimand.

This Mechanism does not protect an employee from an adverse action taken independent of his

disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this Mechanism.

9. ESSENTIAL FACTORS

9.1 Maintenance of Register of Complaints

Audit Committee shall maintain a register for registration of complaints received under this Mechanism and outcome of the investigation of the complaint. Each complaint shall bear a unique number.

9.2 Maintenance of Confidentiality

The complainant, Vigil Officer and Audit Committee, the Subject and everybody involved in the process shall –

- a) Maintain confidentiality of the all the matters under this Mechanism.
- b) Discuss only to the extent or with those persons as required under this Mechanism for completing the process of investigations.
- c) Not keep the papers unattended anywhere at any time.
- d) Keep the electronic mails / files under password.

9.3 Reporting to Board of Directors of the Company

The Vigil Officer shall submit its report to the Audit Committee and the Audit Committee shall submit its report including the report of the Vigil Officer before the meeting of Board of Directors of the Company.

9.4 Safeguards to Complainant

- a) The Committee shall provide adequate safeguards against victimization of complainant. No unfair treatment will be meted out to a Complainant by virtue of his /her having reported a Protected Disclosure under this Mechanism. Complete protection will be given to the Complainant 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 Complainant's right to continue to perform his duties / functions including making further Protected Disclosure.
- b) The Company will take steps to minimize difficulties, which the complainant may experience as a result of making the Protected Disclosure.
- c) If the complainant is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the complainant to receive advice about the procedure.
- d) A complainant who alleges adverse action under the Mechanism may approach the Audit Committee or Board of Directors for appropriate relief, if any adverse action is taken against him in violation of this Mechanism.
- e) The complainant has the burden of proof in establishing that he / she has suffered an adverse action for an activity protected under this Mechanism.
- f) The identity of the complainant shall be kept confidential to the extent possible and

permitted under law and will not be revealed unless –

- he himself has made either his details public or disclosed his identity to any other office or authority and/or
 - the issue requires investigation by law enforcement agencies.
- g) In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.
- h) Any other employee assisting in the said investigation shall also be protected to the same extent as the complainant.

10. 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 7 years.

11. NOTIFICATION

All employees shall be notified of the existence and contents of this Mechanism by placing on the website of the Company, [www.mangalam engineering.com](http://www.mangalamengineering.com).

12. ADMINISTRATION AND REVIEW OF THE MECHANISM

The Board of Directors has approved the Mechanism on the recommendation of the Audit Committee and the Company Secretary of the Company shall be responsible for the administration, interpretation, application and review of this Mechanism.

13. AMENDMENT

The Board of Directors of the Company reserves its right to amend or modify this Mechanism in whole or in part, at any time in line with the requirements of the SEBI Guidelines or the Companies Act 2013 or any other rules, regulations etc. which may be applicable from time to time, 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.

**_*_*_