



IMPERIAL AUTO INDUSTRIES LIMITED
CIN:U74899DL1975PLC007737

VIGIL MECHANISM POLICY

REGD. OFFICE:202, KUSAL BAZAR, 32-33, NEHRU PLACE, NEW
DELHI-110019

1. PREFACE

1.1 Section 177 (9) & (10) of the Companies Act, 2013 read with rules, Companies (Meetings of Board and its Powers) Rules, 2014 states that:-

- A. 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-
- The Companies which accept deposits from the public;
 - The Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.
- B. 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.
- C. 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.
- D. The vigil mechanism shall provide for adequate safeguards against victimization 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.
- E. 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.

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.

Under these circumstances, Imperial Auto Industries Limited being a Closely held Public Company which borrows money from banks in excess of fifty crore rupees. Company proposes to establish a Vigil Mechanism and to formulate a policy for the same, and an audit committee shall oversee the vigil mechanism through the committee

2. POLICY OBJECTIVES

- 2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and believe in the conduct of the affairs in a fair & transparent manner by adopting highest standards of professionalism, honesty and integrity. 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 mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees to

avail of the mechanism and provide for direct access to the Chairman/Member of the Audit Committee and MD/WTD/ in exceptional cases.

- 2.2.** This neither releases employees from their duty of confidentiality in the course of their work nor from raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. SCOPE OF THE POLICY

3.1 The Policy covers without limitations the followings:-

- a) Breach of contract or Breach of employee Code of Conduct or Rules;
- b) Criminal offence;
- c) Malpractices or Manipulation of company data/records;
- d) Financial irregularities, including fraud, or suspected fraud;
- e) Pilferation of confidential/propriety information;
- f) Misappropriation of company funds/assets;
- g) Deliberate violation of law/regulation;
- h) Negligence causing danger to public health and safety;
- i) Any other unethical, biased, favoured, imprudent event on account of which the interest of the Company is affected.

3.2 The Policy does not cover the followings:-

- a) Frivolous and bogus complaints;
- b) Business and financial decisions taken by the Company that do not involve wrong doing or illegality;
- c) Any matter already addressed pursuant to disciplinary or other procedures of the Company;
- d) Career or employment related;
- e) Other personal grievances;

3.3 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 Chairman of the Audit Committee

4. DEFINITION

The definitions of some key terms used in this policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

- a) **Audit Committee** means the Audit Committee constituted by the Board of Directors of the Company in accordance with section 177 of The Companies Act, 2013 read with rules, Companies (Meetings of Board and its Powers) Rules, 2014

- b) Board** means the Board of Directors of the Company.
- c) Director** means every Director of the Company, past or present
- d) Company** means Imperial Auto Industries Limited
- e) Code** means Imperial Auto Industries Limited's Code of Conduct.
- f) 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.
- g) Employee** means every employees of the Company and Directors in the employment of the Company (Whether working in India or abroad)
- h) Investigators** means those persons authorised, appointed, consulted or approached by Chairman of the Audit Committee
- i) Protected Disclosure** means any communication made in good faith by an employee or group of employees of the Company that discloses or demonstrates information that may evidence unethical or improper activity "as mentioned in above" with respect to the Company. Protected Disclosure should be factual and not speculative in nature
- j) 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.
- k) Whistle Blower** is an employee or group of employees who make a Protected Disclosure under this Policy.

5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company. However, Anonymous disclosure shall not be entertained.

6. DISQUALIFICATIONS

- 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 AND DISPOSAL OF PROTECTED DISCLOSURES

- 7.1 All Protected Disclosures should be reported in writing (through a letter or email) within 30 days from the date Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English or Hindi
- 7.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected disclosure under the Vigil Mechanism policy”. Alternatively, the same can also be sent through email with the subject “Protected disclosure under the Vigil Mechanism policy” to the Chairman of Audit Committee. Chairman of the Audit Committee will not issue any acknowledgement to the complainants and in case any further clarification is required, he will get in touch with the complainants.
- 7.3 All Protected Disclosures (other than mentioned in 7.4 below) should be addressed to the **Ombudsperson** for investigation.
- 7.4 The contact details of the **Chairman/Member of the Audit Committee** are as under:-
Mr. Narinder Kumar Vedi. Member (Audit Committee)
Imperial Auto Industries Limited
Regd. Off: 202, Kusal Bazar, 32-33, Nehru Place, New Delhi-110019
Mailing Address : Opposite Railway Goods Shed, Faridabad
Email: nkvedi@impauto.com
- 7.5 The Contact details of the Managing Director are as under:
Mr. Sham Behari Sardana, Managing Director
Imperial Auto Industries Limited
Regd. Off: 202, Kusal Bazar, 32-33, Nehru Place, New Delhi-110019
Mailing Address: 13/06, Delhi Mathura Road, Faridabad (HR)
Email :sbs@impauto.com
- 7.6 On receipt of the protected disclosure the Chairman/member of the Audit Committee, 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 himself and, if deems fit, he can refer the matter to the Investigators 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 Action taken by Chairman of the Audit Committee for processing the complaint;
 - e) Findings of the Investigators;
 - f) The recommendations of the Investigators / other action(s).

7.7 The Investigators, if deems fit, may call for further information or particulars from the complainant.

7.8 All protected disclosures under this policy will be recorded and thoroughly investigated.

8. DECISION AND REPORTING

8.1 Chairman/member of the Audit Committee along with its recommendations will report its findings to the Board of Directors/ Managing Director of the company within 45 days of receipt of report for further action as deemed fit.

In case prima facie case exists against the subject, then the Board of Directors / Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate *Disciplinary Action* in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Audit Committee, the complainant and the subject.

8.2 A half yearly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

9. AMENDMENT

The Board of Directors /Managing Director of the Company have the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

This policy is adopted by the Board of Directors in its meeting held on 05th December, 2014 with immediate effect.