



## **SYLVAN PLYBOARD (INDIA) LIMITED**

### **VIGIL MECHANISM AND WHISTLEBLOWER POLICY**

**Registered Office:** NH-2, Delhi Road, Champsara, Chinnamore, Baidyabati,  
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## VIGIL MECHANISM AND WHISTLEBLOWER POLICY

### 1. Preface

- Section 177(9) of the Companies Act 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 provides for the requirement of establishing a mechanism called “Vigil Mechanism Policy’ for directors and employees to report to the management instances of unethical behavior, actual or suspected fraud, or violation of the Company’s general guidelines on conduct or ethics Policy.
- Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments thereto, (hereinafter also referred to as Listing Regulations) requires the company to formulate a vigil mechanism/ whistle blower policy for directors and employees to report genuine concerns.
- Regulation 9A(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 requires every listed company to have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.
- Accordingly, this Whistleblower Policy and Vigil Mechanism as part of this Policy has been formulated with a view to provide a mechanism for directors, employees as well as other stakeholders of the Company to approach the Chairman of the Audit Committee of the Company.

### 2. Definitions

The definitions of some of the key terms used in this Policy are given below:

- a) “**Audit Committee**” means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and read with Regulation 18 of Listing Regulations.
- b) “**Board**” means the Board of Directors of the Company.
- c) “**Company**” means **Sylvan Plyboard (India) Limited**.
- d) “**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.

- e) **“Employee”** means every employee of the Company (whether working in India or abroad), including contractual employees, permanent or temporary employees and the directors in the employment of the Company.
- f) **“Investigators”** means those persons authorized, appointed, consulted or approached by the concerned authority/ Audit Committee and includes the auditors of the Company.
- g) **“Policy”** means “Vigil Mechanism And Whistleblower Policy”
- h) **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- i) **“Unpublished Price Sensitive Information (UPSI)”** means any information, relating to BDL 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;
  - (v). Changes in key managerial personnel; and
  - (vi). Material events in accordance with the listing agreement.
- j) **“Whistle Blower”** means an employee making a Protected Disclosure in writing under this Policy to the Audit Committee. His/her role is that of a reporting party with reliable information. He/she is not required or expected to act as a fact finder or investigator.

### 3. Objectives

The basic objectives of this policy are:

- a. to provide an opportunity to the directors and employees to blow whistle against and to report concerns about unethical behaviour, actual or suspected fraud or violation of the company’s code of conduct or leak of Unpublished Price Sensitive Information etc.
- b. to maintain company’s commitment to open communication by providing channels to report unethical and improper practices or any other wrongful conduct in the Company.
- c. to provide all necessary safeguards for protection of whistle blowers.

#### **4. Scope**

The Policy 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
6. Criminal offence
7. Pilferation of confidential/ propriety information
8. Deliberate violation of law/ regulation
9. Wastage/ misappropriation of company funds/ assets
10. Breach of employee Code of Conduct or Rules
11. Willful negligence of assigned duties that could result in damage/ loss to the Company
12. Any other unethical, biased, favoured, imprudent event.

#### **5. Eligibility**

All Employees, Directors and stakeholders of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

#### **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 Whistleblower knowing it to be false or bogus or with a *mala fide* intention.

#### **7. Procedure**

- a) Protected Disclosure should either be typed or written in legible hand writing in English or Hindi and should provide a clear understanding of the Improper Activity involved or issue / concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.
- b) All Protected Disclosures concerning financial/ accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.

- c) Protected Disclosure 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 and the urgency of a preliminary investigative procedure.
- d) The Whistle Blower may complaint or report the leak of UPSI by addressing the hard copies or by an email to the Chairman and Managing Director of the Company, mentioning the subject as “LEAK OF UPSI”. For the report of instances of leak of UPSI by whistle blower, will be dealt as per the Policy and Procedure for inquiry in case of leak of UPSI or suspected leak of UPSI.

**8. Investigation:**

- a) All Protected Disclosures received will be recorded and looked into.
- b) Investigations will be launched only after a preliminary review which establishes that:
  - (i) the alleged act constitutes an improper or unethical activity or conduct, and
  - (ii) either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.
- c) The Audit Committee may, at its discretion, consider involving any investigators for the purpose of investigation.
- d) The identity of an alleged person/employee will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e) All Protected Disclosures reported under this Policy will be thoroughly investigated by the concerned authority as may be required, depending on the disclosure reported.
- f) Alleged person/employee shall be duty bound to co-operate with the Audit Committee or any of the investigators during investigation to the extent that such co-operation sought does not merely require him/her to admit guilt.
- g) No ‘Disclosure’ which is more than 3 years old from the date of noticing the said unethical behaviour, suspected fraud, violation etc., will be taken up, in order to prevent any person from raising issues with an ulterior motive.
- h) Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.
- i) 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.

## **9. Safeguarding of Interest**

Employees/ Directors will be protected against any adverse action and/or discrimination as a result of a reporting under this policy, provided it is justified and made in good faith. The issues raised could include:-

- a) Reporting in good faith, your belief that there is waste of corporation funds.
- b) Reporting in good faith, the violation or suspected violation of a law, rule or regulation.
- c) Participating in or giving information in an investigation, hearing, court proceeding, legislative or other inquiry, or other administrative review.
- d) Objecting or refusing to carry out a directive that you believe in good faith, may violate a law, rule or regulation.

If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. If a complaint is malicious or vexatious, 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:-

- a. Discharging, or
- b. Threatening, or
- c. Discriminating against employment.

## **10. Decision**

If a Protected Disclosure/investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall direct the Management of the Company to take such disciplinary or corrective action as the Audit Committee deems fit.

## **11. Communication**

The Company shall make employees and directors aware of establishment of this policy to enable them to report protected disclosures. The Policy shall be also be made available on the website of the Company.

## **12. Retention of Records**

All documents relating to such Protected Disclosure made through the procedures outlined above shall be retained for minimum seven years from the date of the 'Protected Disclosure', after which the information may be destroyed unless the information may be relevant to any pending or potential litigation, inquiry or investigation, in which case the information will be retained for the duration of that litigation, inquiry or investigation and thereafter as necessary.

### **13. Amendment of the Policy**

Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy. The Board of Directors reserves its right to amend or modify the policy in whole or in part, at any time without assigning any reason whatsoever.