



Detailed process on Vigil Mechanism

Objective:

- The Company believes in the highest standards of ethical, moral and fair conduct of business operations. 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.
- It is primarily to address this objective, the Company adopted the Code of Conduct (the "Code"), which stipulates the guiding principles and standards governing the actions of the Company, its Directors and senior employees.
- The provisions of the Companies Act, 2013, provides a requirement for Listed and certain other classes of Companies to establish a Vigil mechanism for its employees, to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

The Operating framework for matters under Vigil mechanism / Whistle Blower policy has been provided in detail herein below.

Definitions:

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

- **"Audit Committee"** means the Audit Committee as constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 or under the Companies Act, 1956.
- **"Employee"** means all the employees of the Company (whether working in India or abroad)
- **"Investigators"** mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee or Management and include the Auditors of the Company and the law enforcement authorities.
- **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information, about the Company or its subsidiary (ies) that may evidence unethical or improper activity.
- **"Good Faith"** An employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.



- **"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.
- **"Whistle Blower"** means an Employee making a Protected Disclosure under this Policy.
- **"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

Scope:

- 1) The Policy covers malpractices and events which have taken place/ suspected to take place involving:
 - Abuse of authority
 - Breach of contract
 - Negligence causing substantial and specific danger to public health and safety
 - Manipulation of company data/records
 - 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
 - Any unlawful act whether Criminal/ Civil
 - Pilferation of confidential/propriety information
 - Deliberate violation of law/regulation
 - Wastage/misappropriation of company funds/assets
 - Breach of Company Policy or failure to implement or comply with any approved Company Policy
- 2) The Whistle Blower's role is that of a reporting party with reliable information. A Whistle Blower is not required or expected to act as an investigator or finder of facts, nor would he determine the appropriate corrective or remedial action that may be warranted in a given case.
- 3) A Whistle Blower should not act on his own in conducting any investigative activities, nor does he have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Investigators.
- 4) Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee.



Disqualifications:

- 1) 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 by the Company in such manner as may be deemed fit by the Company.
- 2) 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.
- 3) Whistle Blowers, who make two or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, shall be immediately disqualified from reporting further Protected Disclosures under this Policy.

Procedure:

- 1) Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company for investigation under a sealed envelope at the following address:

Smt Nalini Padmanabhan
Chairperson – Audit Committee
Mangalore SEZ Limited
Sy.No 168/3A, Plot No U-1,Administrative Building,
Mangalore Special Economic Zone, Bajpe Village,Mangalore taluk,
Dakshina Kannada (Dist), Karnataka – 574142
Or By email to the following ID: [nalinfca@gmail.com](mailto:nalinifca@gmail.com)
- 2) If a Protected Disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded by such executive to Chairman of the Audit Committee for further appropriate action. Reasonable care shall be taken by such executive to keep the identity of the Whistle Blower confidential.
- 3) Protected Disclosures should preferably be reported in writing in easy and understandable manner.
- 4) The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. This is to ensure that the Audit Committee may interview the Whistle Blower, if required. Upon receipt of the covering letter, the Chairman of the Audit Committee shall detach the same and forward only the Protected Disclosure to the Investigators for investigation.
- 5) 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 and the urgency of a preliminary investigative procedure.



- 6) Protected Disclosures expressed anonymously will ordinarily ~~not~~ be investigated.
- 7) The Company Secretary of the Company shall act as the Vigil Officer for operational matters under this policy.

Investigation:

- (1) The Chairman of the Audit Committee will investigate/ oversee the investigations of all Protective Disclosures under the authorization of the Audit Committee.
- (2) The Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation in relation to the Protective Disclosures.
- (3) The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a fact-finding process. For the sake of clarity, the outcome of the investigation process may not support the information rendered by a Whistle Blower in the Protective Disclosures.
- (4) The identity of Subject will be kept confidential to the extent possible, subject to the reasonable and necessary requirements of the law and the investigation process.
- (5) Subject will normally be informed of the allegations at the outset of a formal investigation and shall be afforded opportunities of reasonable hearing to provide inputs during the investigation.
- (6) Subject shall extend all reasonable co-operation with the Chairman of the Audit Committee or any of the Investigators provided such co-operation shall not compromise self-incrimination protections available under applicable laws.
- (7) Subject has a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- (8) Subject shall not interfere with the investigation process nor attempt to destroy evidence in relation thereto. Further, the Subject shall not withhold or tamper with, and shall not influence, coach, threaten or intimidate any witness called upon during the investigation process.



- (9) Unless there are compelling reasons not to do so, Subject will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- (10) Subject has 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.
- (11) The investigation shall be completed as expeditiously as possible, and normally within 45 days of the receipt of the Protected Disclosure.

Protection:

- (1) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.
- (2) The Company 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.
- (3) The Company shall 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.
- (4) Any other Employee assisting in the investigation process under this Policy shall also be protected to the same extent as the Whistle Blower.

Investigators:

- (1) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority from the Audit Committee when acting within the course and scope of their investigation.
- (2) Technical and other resources may be drawn upon as necessary to augment the investigation process. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators



have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.

- (3) Investigations will be launched only after a preliminary review which establishes that:
- the alleged act constitutes an improper or unethical activity or conduct, and
 - 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

Decision:

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee deems 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 procedures under applicable laws, besides the internal procedure adopted by the Company.

Reporting:

The Investigators shall submit a report to 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.

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. Reasonable care shall be taken to keep such Protected Disclosures confidential, subject to applicable laws.

Amendment:

The Company is entitled to amend, suspend or rescind this Policy at any time without assigning any reasons therefor. Whilst, the Company has made best efforts to define detailed procedures for implementation of this Policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in consonance with the broad intent of this Policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.