

VIGIL MECHANISM / WHISTLE BLOWER POLICY OF M M FORGINGS LTD

1. **Preface:**

- 1.1 The Company believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, integrity and ethical behaviour.
- 1.2 The amended Listing Agreement provides for mandatory requirement for all listed companies to establish a Vigil Mechanism called “Whistle Blower Policy” for employees and directors to report to the Management –
 - Instances of unethical behaviour, actual or suspected, fraud or violation of the Company’s Code or Ethics
 - In case of any event of misconduct, act of misdemeanor or act not in Company’s interest, which could affect the business or reputation of the Company.
- 1.3 Accordingly, a ‘Whistle Blower Policy’ is formulated with a view to provide a vigil mechanism for employees and directors of M M Forgings Limited.

2. **Constitution of the Committee**

The Company has formed a Committee by a resolution passed in the Board Meeting held on 14 May 2014 and is called Whistle Blower Protection Committee, with retrospective effect from 01 April 2014. The members of the committee are :

Shri Vidyashankar Krishnan, Chairman
Shri. K. Venkatramanan
Shri N. Ramnath
Shri. M.N. Rajesekaran

3. **Scope**

This Policy is applicable to all employees and directors (Whistle Blowers) of the Company.

4. **Coverage of Policy**

The Policy covers malpractices and events which have taken place/ suspected to take place-

- 4.1 Abuse of authority.
- 4.2 Breach of contract
- 4.3 Negligence which causes danger to public health and safety
- 4.4 Manipulation of Company records
- 4.5 Financial irregularities / fraud
- 4.6 Criminal Offence
- 4.7 Pilferation of Confidential information
- 4.8 Deliberately violating law / regulations
- 4.9 Misappropriation of Company's assets / funds
- 4.10 Breach of employee Code of Conduct
- 4.11 Any other unethical event

5. **Quorum**

A quorum shall be two members

6. **Frequency of Meetings**

Meetings shall be held at such times as the Committee deems appropriate, and in any event shall be held not less than twice a year.

7. **Authority**

The Committee is authorised by the Board at the expense of the Company to investigate any matter within its terms of reference. It is authorised to seek any information that it requires from any employee in order to perform its duties and all employees are directed to cooperate with any requests

8. **Nature of disclosure and Protection there from**

- In case an employee feels that he/she has been victimized in employment related matters because of reporting about a violation of the code, he/she can submit a grievance to the concerned Designated Person, giving specific details of the victimization allegedly suffered by him/her. All such grievances will be examined by the aforesaid Whistle Blower Protection Committee. The Committee will meet at regular intervals and examine the grievances on their merits. The Committee will also conduct necessary investigation of the grievances and recommend to the management for such corrective action as it deems fit.

- While the Management is determined to give appropriate protection to the genuine Whistle Blower, the employees, at the same time are advised to refrain from using this facility for furthering their own personal interest with a *mala fide* intention or to make protected disclosure which are subsequently found to be frivolous, baseless, malicious or reported otherwise than in good faith.

9. **Reporting**

A Report with Number of complaints under the Policy and their outcome will be placed before the Audit Committee.

10. **Procedure under the Policy:**

- 10.1 A protected disclosure shall be forwarded, when there is reasonable evidence to conclude that a violation is possible or has taken place, with a covering letter, which shall bear the identity of the whistleblower.
- 10.2 'Procted Disclosure ' means a Report in writing so as to ensure clear understanding of the issues raised and should either be typed or written legibly in English or in Tamil.
- 10.3 Protected Disclosure should be reported either through email or in writing to the Designated Person and only in writing to the Chairman of the Audit Committee.
- 10.4 The contact details of the Designated Person:
Name : Shri Vidyashankar Krishnan, CEO
Email Id: mndo@mmforgings.com
Mailing address: 'SVK Towers', No. 25, Thiru Vi Ka Industrial Estate, 9th Floor, Guindy, Chennai -600032
- 10.5 Matter will be investigated
- 10.6 A written Report of the findings should be reported to the Committee.
- 10.7 The Committee shall take measures on the basis of the Report.
- 10.8 The decision of the Committee shall be final.
- 10.9 The decision shall be placed in the Audit Committee meeting.

11. **Equal opportunities**

Employees of the company shall be treated in a work environment free of all forms of harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner consistent with applicable laws and other provisions of this Code, respect for the right to privacy and the right to be heard, and that in all matters equal opportunity is provided to those eligible and decisions are based on merit.

12. **Ethical conduct**

- Every employee, shall exhibit culturally appropriate behaviour in the countries they operate in, and deal on behalf of the company with

professionalism, honesty and integrity, while conforming to high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be so by third parties.

- Every employee shall preserve the human rights of every individual and the community, and shall strive to honour commitments.
- Every employee and directors shall be responsible for the implementation of and compliance with the Code in his / her environment. Failure to adhere to the Code could attract severe consequences, including termination of employment.

13. **Regulatory compliance**

- Employees of the company, shall comply with all applicable laws and regulations, in letter and spirit, in all the territories in which they operate.
- Directors of the company shall comply with applicable laws and regulations of all the relevant regulatory and other authorities. As good governance practice they shall safeguard the confidentiality of all information received by them by virtue of their position.

14. **Concurrent employment**

Consistent with applicable laws, an employee shall not, without a written approval of the company, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide freelance services to anyone, with or without remuneration. Any such employment can be done only with the prior approval from the Management.

15. **Conflict of Interest**

An employee or director of the company shall always act in the interest of the company, and ensure that any business or personal association which he / she may have, shall not involve a conflict of interest with the operations of the company.

16. **Securities transactions and confidential information**

- An employee of the Company and / or his / her immediate family shall not derive any benefit or counsel, or assist others to derive any benefit, from access to and possession of information about the company that is not in the public domain and, thus, constitutes unpublished, price-sensitive insider information.
- An employee of the Company shall not use or proliferate information that is not available to the investing public, and which therefore constitutes insider information, for making or giving advice on investment decisions about the securities of the Company.

- Such insider information includes information mentioned in the Insider Trading Code, formulated by the Company and also includes the following:
 - Financial information such as profits, earnings and dividends.
 - Announcement of new product introductions or developments.
 - Asset revaluations.
 - Investment decisions / plans.
 - Restructuring plans.
 - Major supply and delivery agreements.
 - Raising of finances.

- An employee of the company shall also respect and observe the confidentiality of information pertaining to other companies and strictly observe a practice of non-disclosure.

17. **Reporting concerns**

The company shall ensure protection to the whistleblower and any attempts to intimidate him / her would be treated as a violation of the Code.

18. **Amendment:**

Shri Vidyashankar Krishnan, Vice Chairman and Managing Director of the Company has the right to amend or modify this Policy in whole or in part at any time without assigning any reason whatsoever.