



VIGIL MECHANISM AND WHISTLE BLOWER POLICY
OF
KHANNA PAPER MILLS LIMITED



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INTRODUCTION

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Powers) Rules, 2014, Every listed company and such Companies as may be prescribed shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances. As Khanna Paper Mills Limited ("**Company**") falls under the prescribed class of companies, policy for vigil mechanism (whistle blower) is being established.

This Whistle Blower Policy has been formulated to enable the employees and directors to raise concern against any malpractices such as unethical behaviour, actual or suspected fraud activities or violation of the code of conduct or policies of the Company.

The company is committed to adhere to the highest standard of ethical, moral and legal conduct of business operations and in order to maintain these standards, the company encourages its employees who have genuine concern about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provide for adequate safeguard against victimization of Directors and Employees to avail of the mechanism and also provide for direct access to the chairman in exceptional cases.



OBJECTIVES OF POLICY

- With a view to extract maximum information on activities affecting the Company, its values, philosophy, principles and beliefs including violations of legal or regulatory requirements, incorrect or misrepresentation of financial statements, reports etc., it is proposed to bring into effect detection and prevention of any act or otherwise indulged by any employee, which is detrimental and/or jeopardizing our organizational value systems, across Company.
- This policy aims to protect the reputation and wealth/assets of the Company from loss or damage, resulting from suspected or confirmed incidents of dishonest behaviour/ fraud/ violation / misconduct/ wilful negligence.
- It will provide an opportunity to employees to report any dishonest behaviour/ fraud / misconduct/ wilful negligence/ suspicious activity/ critical information/ evidence, violations of legal or regulatory requirements, incorrect or misrepresentation of financial statements, reports etc.
- This will act as a force multiplier to detect/investigate any observations made by the whistle blower and protection of whistle blower from retaliation.



SCOPE:

The policy is an extension of the code of conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/suspected to take place involving.

1. Breach of Business integrity and ethics;
2. Breach of Terms & conditions of Employment and rules thereof;
3. Intentional Financial irregularities or suspected fraud;
4. Breach of the Company's Code of Conduct;
5. Wilful negligence, danger to health, safety and environment;
6. Manipulation of company records & data;
7. Misappropriation of company funds/assets.



DEFINITION

1. **“Board”** means the Board of Directors of the Company.
2. **“Company”** means Khanna Paper Mills Limited.
3. **“Code of Conduct”** means the code of Business Conduct and Ethics.
4. **“Director”** means a director appointed on the Board of the Company.
5. **“Employee”** means every employee on the pay rolls including those on deputation, contract, temporary, probationer, apprentice, part time employees / workers, full time consultants, holding permanent, honorary, ad hoc, voluntary or short term positions.
6. **“Policy”** means Vigil Mechanism/Whistle Blower Policy.
7. **“Protected Disclosures”** means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity with respect to the Company.
8. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
9. **“Vigilance Officer”** means a person who is nominated as a vigilance officer to receive protected disclosures and maintain records thereof, placing the same before the Board for its disposal and informing the Whistle Blower the result thereof.
10. **“Whistle Blower”** means a director or employee who makes a protected disclosure under this policy and also referred in this policy as complainant.



PROCEDURE

All protected disclosures should be reported in writing by the complainant in a closed and secured envelop and should be super scribed as “ **Protected disclosure under the Whistle Blower Policy**” or sent through email with the subject “ **Protected disclosure under the whistle Blower Policy**” and should either be typed or written in a legible handwriting in English/Hindi/Punjabi.

If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

Protected Disclosures to be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and evidence (to the extent possible).

All protected disclosures should be addressed to the Vigilance Officer and in the exceptional cases, all such disclosures should be addressed to the Chairperson of the Audit Committee and thereafter the Vigilance officer or Chairperson shall forward the protected disclosure to the Audit Committee within 07 (Seven) days from the date of receipt of such disclosures.

The contact details of the vigilance officer are as under-

Name: Manpreet Singh

Designation: Senior General Manager

Address: NH-3, Bye Pass, Opp. Metro Cash & Carry, Amritsar, Punjab-143001

E-mail Id: manpreet.singh@khannapaper.com

Contact No: +91 9815302703

In order to protect the identity of the complainant, the vigilance officer will not issue any acknowledgement to the complainants, and they are not advised neither to write their name /address on the envelope nor enter into any further correspondence with the vigilance officer.

On receipt of the protected Disclosure, the Vigilance Officer, as the case may be, shall make a record of the protected disclosure. The record will include:



- ✚ Facts of the matter;
- ✚ Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- ✚ Whether any Protected Disclosure was raised previously against the same Subject, and if so, the outcome there.



ROLE OF VIGILANCE OFFICER

- ✚ To assist the concerned person in the investigations to identify the facts / details about the reported incident and identify the perpetrator. A report will be prepared and put up to the Board for further directions.
- ✚ To forward the complaints to the concerned person of the Company within the mentioned specified time as above.
- ✚ To ensure the investigation will be completed within 30 working days of initiation.
- ✚ To record all complaints received from Employee or Director on suspected incidents of fraud/misconduct/ dishonest behavior.
- ✚ To suggest corrective action and measures to prevent recurrence of such incidents.
- ✚ To ensure any information regarding the identity of the whistle blower be kept secret.
- ✚ To retain all protected disclosures received along with the results of investigation relating thereto for a minimum period of 01 (One) years.



DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Vigilance Officer or Chairperson of Audit Committee shall recommend to the Board of Director of the Company to take such disciplinary or corrective action as it may deem fit.

Any disciplinary or corrective action initiated against the subject as a result of the finding of an investigation pursuant to this policy shall adhere to the applicable personnel or staff conduct and disciplinary procedure. The concerned person shall take appropriate disciplinary action against unethical & improper practices in accordance with the rules, procedures and policies of the Company.



If you have any questions regarding the Policy or the Code of Conduct, Please contact:

Address:

NH-3, Bye Pass, Amritsar, Punjab – 143001
+91-183-5067100
info@khannapaper.com