



Tamil Nadu State Marketing Corporation

## **VIGIL MECHANISM POLICY**

**SEPTEMBER 10, 2018**

**TAMILNADU STATE MARKETING CORPORATION LIMITED**

Reg. IV Floor, CMDA Tower II, Gandhi-Irwin Bridge Road,  
Egmore, Chennai -600008

CIN: U93090TN1983SGC010048

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Approving Authority	Board of Directors of the Company
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Review Cycle	As recommended by the Reviewing Authority

## VIGIL MECHANISM POLICY

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## 1. PREAMBLE

- 1.1. **TAMILNADU STATE MARKETING CORPORATION LIMITED** (“the Company/ TASMAL”) is a company incorporated under the Companies Act, 1956 on 23.05.1983 by having its Registered Office at Chennai. The Company is conducting its wholesale and retail business of IMFS and Beer all over Tamil Nadu and it is also marketing Imported Foreign Liquor, Beer and Wine products.
- 1.2. The company believes that every employee is a trustee of its stakeholders and must adhere to the Company's Code of Prevention and Detection of Fraudulent Acts in Tamil Nadu State Marketing Corporation Limited – 2014 (THE “CODE”) and conduct himself or herself at all times in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.
- 1.3. The Code of the Company has been framed in such a manner within which the Company expects its business operations to be carried out and lays down the standards and procedures which should govern the actions. Any violation in the said code is treated as “Misconduct” and entitles the Management to initiate such disciplinary action, as it deems appropriate against such concerned employee(s).
- 1.4. The Company firmly believes that our employees are the greatest asset to the Company and value their feedbacks and suggestions. It also believes that it is the responsibility of the Company to structure a system in such a manner to remain approachable and vigilant at all times to its employees against the Code of Conducts’ violation.
- 1.5. Further, Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, mandates every Listed company and the following classes of companies to constitute a vigil mechanism –
  - 1.5.1. the companies which accepts deposits from the public;
  - 1.5.2. **the companies** which has **borrowed money** from Banks and Public Financial Institutions in **excess of Rupees Fifty Crore**

## **2. POLICY**

- 2.1. In compliance with the point no. 1.5 as above, **TAMILNADU STATE MARKETING CORPORATION LIMITED**, being a Private Limited Company which has borrowings in excess of Rupees Fifty Crore, has established a Vigil Mechanism and formulated a Policy named "Vigil Mechanism Policy" (hereinafter referred to as "the Policy") in order to provide a framework for responsible and secure vigil mechanism.
- 2.2. The Policy is an extension of the Company's Code formulated with an aim to promote good Corporate Governance, instill faith and to make the employees to escalate to the Company's attention, instances of unethical behavior, and actual or suspected incidents of fraud or violation of the Code that could adversely impact the Company's operations, business performance and / or reputation, without a fear of reprisal. The Company will investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

## **3. POLICY OBJECTIVE**

- 3.1. The main object of this Policy is to ensure that all the employees of the Company are given a platform to freely express their grievances on various issues such as fraud, violation of the Company's Code, malpractice, breach of policy, abusing the power/ authority by any official of the Company or any other activities done with an intention of unethical personal gain or to render damage to the reputation to the Company or to the employees.
- 3.2. Through this policy, the Company ensures to take appropriate action against the complaints received from the victims.
- 3.3. The Company assures adequate safeguard against victimization of employee(s) who use this mechanism to express their concerns.

#### **4. DEFINITIONS**

- 4.1. “Audit Committee” means the Audit Committee of Directors constituted by the Board of Directors of the Company.
- 4.2. “Code” means Code of Prevention and Detection of Fraudulent acts in Tamil Nadu State Marketing Corporation Limited – 2014.
- 4.3. "Company" refers to Tamil Nadu State Marketing Corporation Limited (TASMAC)
- 4.4. “Complainant” means an employee who expresses their concern or disclosure or lodge a complaint under this policy, in respect of the concerns/ grievances as briefed under point no. 5.1.
- 4.5. "Employee" includes full time employees, part time employees, persons engaged on ad-hoc, or temporary, or casual, or contract basis including employees from TEXCO, individuals on deputation from the Government (Central/State) and other organizations, and individuals on probation or under training, including ex-employees – for the purpose of this Policy only.
- 4.6. “Facilitator” will be an Officer nominated by the Managing Director for the purpose of receiving all complaints under this policy and ensuring appropriate action
- 4.7. “Investigators” means those persons authorized, appointed, consulted or approached by the Managing Director/the Facilitator, including the auditors of the Company.
- 4.8. “Protected Disclosure” means a concern raised by an employee or group of employees of the Company, through a written communication with full name and address in good faith which discloses or demonstrates information about an unethical or improper activity with respect to the Company. It should 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. Anonymous disclosure shall not be considered as protected disclosure.

- 4.9. "Service Rules" means Service Rules of Tamil Nadu State Marketing Corporation Limited.
- 4.10. "Subject(s)/ offending employee(s)" means an 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.

## **5. SCOPE OF THE POLICY**

- 5.1. This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company involving –
- 5.1.1. Misuse or abuse of authority
  - 5.1.2. Sexual harassment / gender discrimination
  - 5.1.3. Breach of Company's "CODE"
  - 5.1.4. Manipulation of company data/records
  - 5.1.5. Intentional financial irregularities, including fraud, or suspected fraud
  - 5.1.6. Deliberate violation of law/regulation
  - 5.1.7. Gross wastage/misappropriation of company funds/assets
  - 5.1.8. Pilferation of confidential/propriety information
- 5.2. Protected Disclosure will be appropriately dealt with by the Managing Director/ Facilitator.

## **6. ENTITLEMENT AND ELIGIBILITY**

- 6.1. The Policy is applicable to all the Employees of the Company (hereinafter referred to as the "employees").
- 6.2. Complainant 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 Investigators.

- 6.3. The identity of the Complainant shall be kept confidential to the extent possible and permitted under law.
- 6.4. While it will be ensured that genuine Complainants are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 6.5. Complainants, who make Protected Disclosures, which are subsequently found to be malafide, frivolous, baseless, malicious, or reported otherwise than in good faith, may be disqualified from reporting further Protected Disclosures under this Policy. Further, the Audit Committee would reserve its right to take/recommend appropriate disciplinary action against such Complainants.

## **7. REVIEW OF FUNCTIONING OF VIGIL MECHANISM**

- 7.1. The Audit Committee will review the functioning of Vigil Mechanism periodically.

## **8. PROCEDURE**

- 8.1. The Complaints must be submitted under a covering letter signed by the Complainant in a closed and secured envelope and should be superscribed as "Protected Disclosure/ Complaint under the Vigil Mechanism policy".
- 8.2. All Protected Disclosures should be reported in writing in English or Tamil, to ensure a clear understanding of the issues raised.
- 8.3. The Complainant must disclose his/her identify in the covering letter while forwarding such Protected Disclosure. Anonymous disclosures will not be entertained.
- 8.4. All the Protected Disclosures and Complaints shall be addressed to the Facilitator of the Company. The Disclosure against the Facilitator and employees at the levels of General Manager shall be addressed to the

Managing Director of the Company. Further, in any other exceptional cases like the Disclosure against the Managing Director of the Company, the Complainants are free to have direct access to the Chairman of the Audit Committee of the Company.

- 8.5. The contact details of the Chairman of the Audit Committee, Managing Director and the Facilitator of the Company are given below -

**CHAIRMAN OF AUDIT COMMITTEE**

Tamil Nadu State Marketing Corporation Limited  
IV Floor, CMDA Tower II,  
Gandhi-Irwin Bridge Road,  
Egmore,  
Chennai -600008

**THE MANAGING DIRECTOR**

Tamil Nadu State Marketing Corporation Limited  
IV Floor, CMDA Tower II,  
Gandhi-Irwin Bridge Road,  
Egmore,  
Chennai -600008

**FACILITATOR**

Officer Nominated by the Managing Director  
Tamil Nadu State Marketing Corporation Limited  
IV Floor, CMDA Tower II,  
Gandhi-Irwin Bridge Road,  
Egmore,  
Chennai -600008

- 8.6. All the Protected Disclosures and Complaints shall be made within a period of 90 days of the incident to afford a reasonable investigation of the same. However, the managing Director, may, at his/ her sole discretion; accept the report received even after the said period for further action.
- 8.7. If a Protected Disclosure is received by any executive of the Company other than Managing Director/ Facilitator, the same should be forwarded to the Managing Director/ Facilitator for further appropriate action.

Appropriate care must be taken to keep confidentially the identity of the Complainant.

- 8.8. The Chairman of the Audit Committee/ the Managing Director/ Facilitator as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

## **9. PROCESS**

- 9.1. The Chairman of the Audit Committee/ the Managing Director/ the Facilitator, as the case may be, shall forward the necessary particulars of the “Protected Disclosure” to the “Investigators” for initiating the investigation process against the same.
- 9.2. The investigators may be appointed from time to time who shall investigate the complaint very diligently and also provide every reasonable time and opportunity to the Complainant and Subject(s) / offending person to put forward and defends their respective cases. The Chairman of the Audit Committee/ the Managing Director/ the Facilitator are authorized to seek help from internal/ external legal counsel or any other professional, if necessary. The investigators must complete the investigation within ninety days’ time from the date of receipt of the details of the “Protected Disclosure” from the Chairman of the Audit Committee/ the Managing Director/ the Facilitator.
- 9.3. The identity of the Subject(s)/offending employee(s) will be kept confidential.
- 9.4. Subject(s)/offending employee(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 9.5. Subject(s)/offending employee(s) shall have a duty to co-operate with the Investigators during investigation to the extent such co-operation will not compromise self-incrimination protection under the applicable laws.
- 9.6. Subject(s)/offending employee(s) have a right to consult a person or persons of his/her/their choice, other than the Chairman of the Audit

Committee/ the Managing Director/ Facilitator/ Investigators and /or the Complainant.

- 9.7. Subject(s)/offending employee(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coaxed, threatened or intimidated by the Subject(s)/offending employee(s).
- 9.8. Complete details and the documents of the investigations must be recorded and after having the evaluation of the same, if an investigation leads the investigators to conclude that an improper or unethical act has been committed, the same shall be reported to the Chairman of the Audit Committee/ the Managing Director/ the Facilitator, from whom the instructions has been received for initiating the investigation.
- 9.9. After evaluating the case, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as he may thinks fit. But the Managing Director/ the Facilitator shall submit their evaluation and the merits of the case to the Audit Committee for their review and recommendations. The Managing Director/ the Facilitator is responsible for submitting the recommendations of the Audit Committees, if any, to the Board of Directors for taking such disciplinary or corrective action. It is clarified that any disciplinary or corrective action initiated against the Subject(s) as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- 9.10. The Chairman of the Audit Committee/ the Managing Director/ the Facilitator, as the case may be shall submit a status report of the number of Complaints received, redressed and pending with them together with the results of the investigation on an half-yearly basis to the Audit Committee.
- 9.11. To achieve the true objective of this policy, any false or frivolous disclosures raised in a mala fide intention will be viewed seriously and appropriate disciplinary actions against the complainant may be taken.

## **10. SECRECY / CONFIDENTIALITY**

10.1. The Chairman of the Audit Committee/ the Managing Director, Facilitator, Investigators, the subject(s) / offending employee(s) and everybody involved in the process shall –

10.1.1. Maintain confidentiality of all matters under this Policy

10.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

10.1.3. Not to discuss the matter in any information/ social gathering/ meetings.

10.1.4. Not to keep the papers unattended anywhere at any time

10.1.5. Keep the electronic mails / files under password

## **11. IMPLEMENTATION**

11.1. The Managing Director of the Company shall have the authority to oversee the implementation of this Policy.

## **12. COORDINATING PROCESS**

12.1. The Facilitator shall be responsible for coordinating in the Policy from the time of receipt of the “Protected Disclosure” until it is finally disposed by the Board. This policy is subject to review by the Audit Committee from time to time.

## **13. RETENTION OF DOCUMENTS**

13.1. All Protected Disclosures in writing or documented along with results of Investigation relating thereto shall be retained by the Company for a period of three years or such other period as specified by any other law in force, whichever is more.

#### **14. FOR DOUBTS / CLARIFICATION**

14.1. For any doubts / clarifications relating to this policy, the Facilitator can be approached through the below mail ID with the subject line “Clarification needed in Vigil Mechanism Policy”.

Mail ID - gmwatasmac@gmail.com

#### **15. INTERPRETATION**

15.1. Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and other applicable laws as amended from time to time.

#### **16. AMENDMENT**

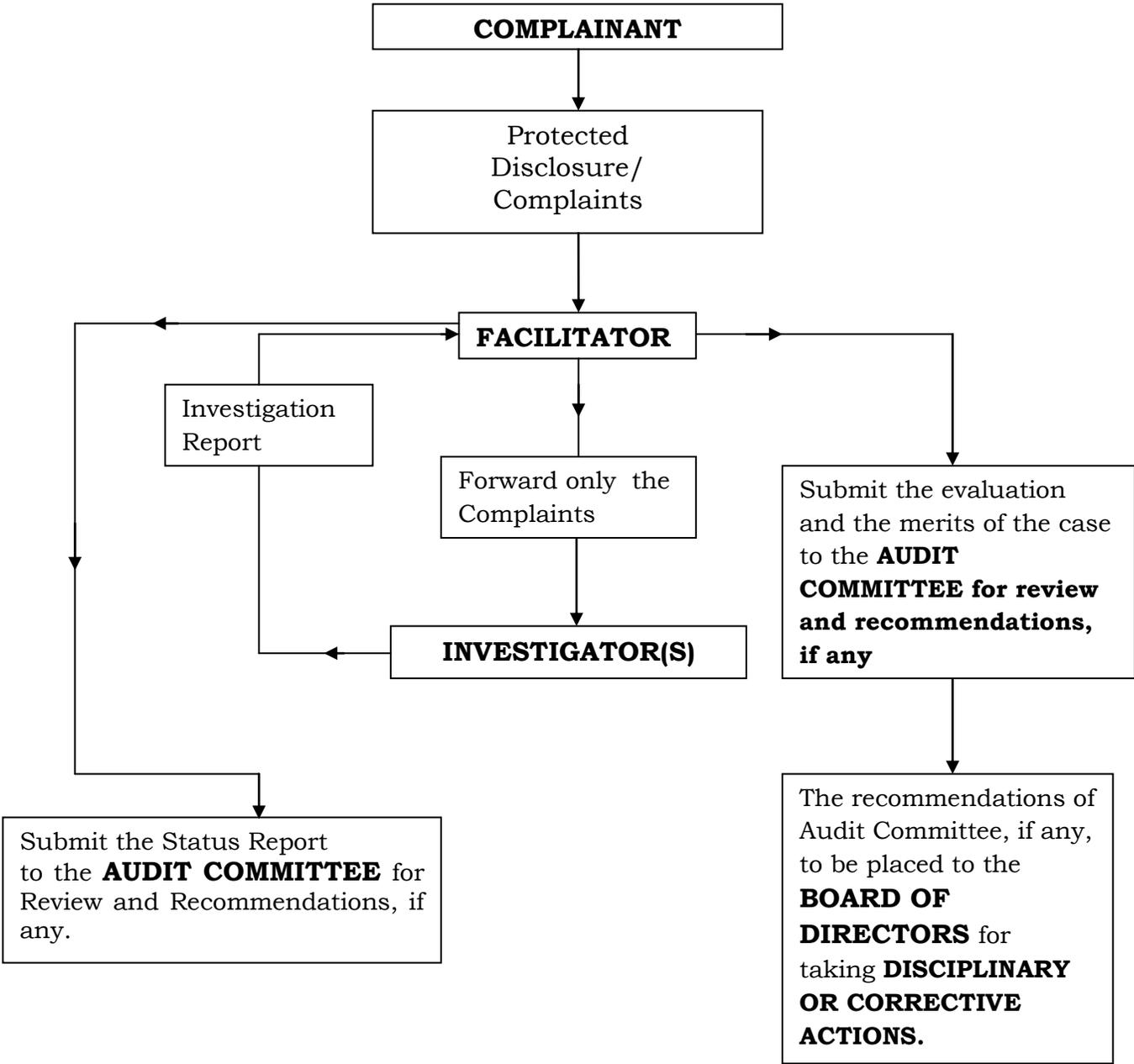
16.1. The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

#### **17. EFFECTIVE DATE**

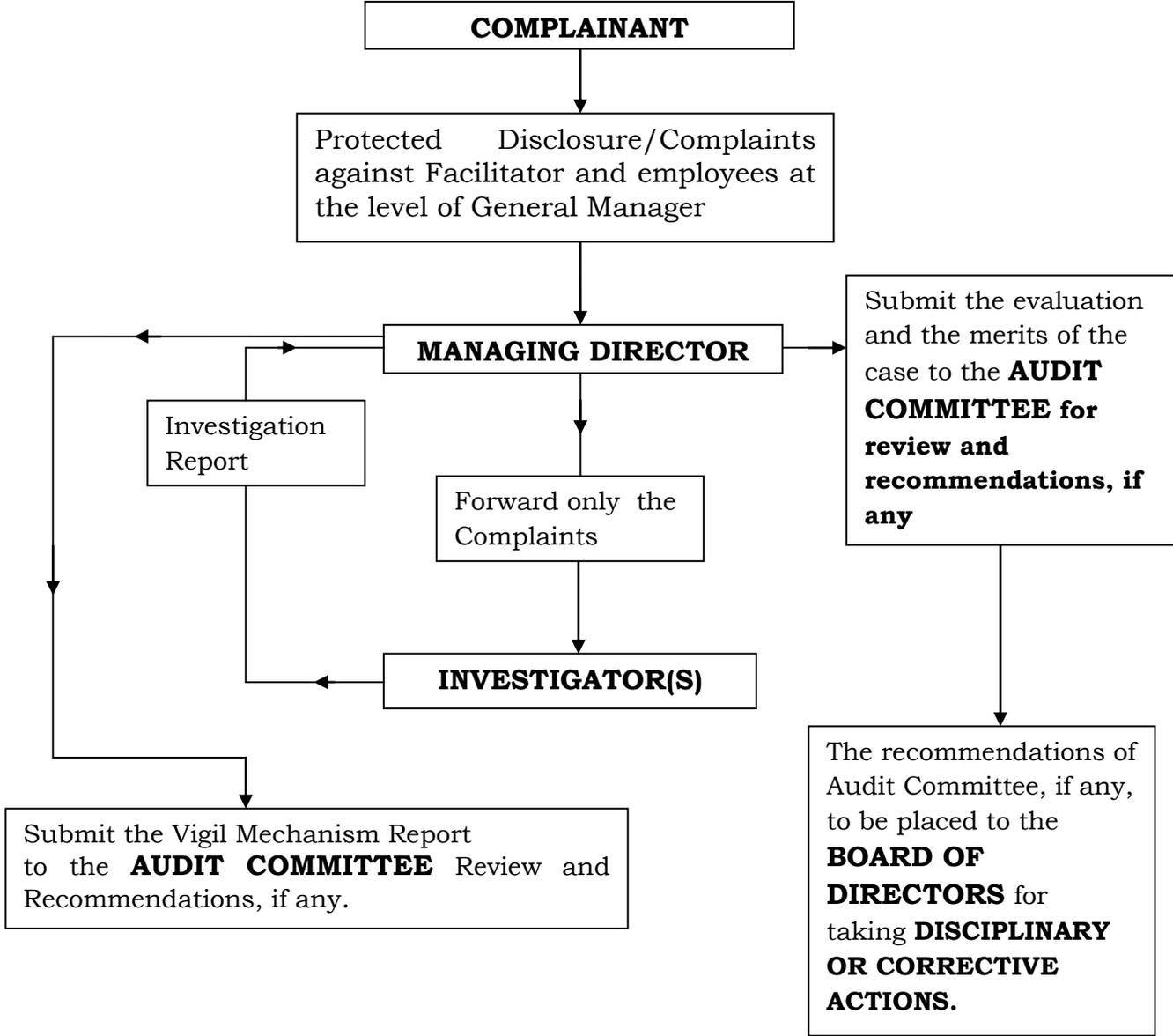
17.1. The Policy shall come in to force w.e.f 10.09.2018. (Date of Approval of the Board)

**18. PROCESS FLOW CHART**

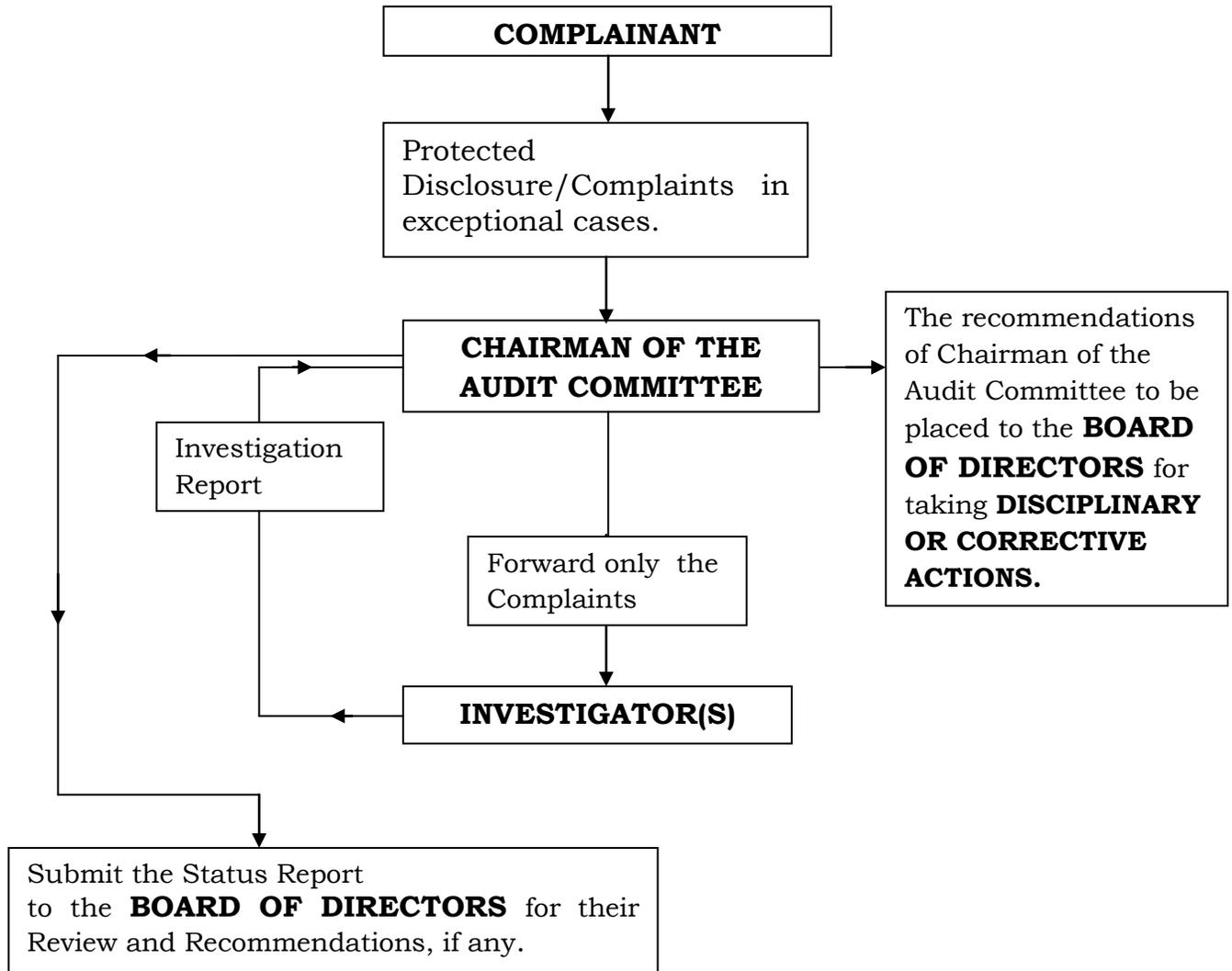
18.1. Protected Disclosures/ Complaints against all employees other than Facilitator and employees at the level of General Manager.



18.2. Protected Disclosures/ Complaints against Facilitator and employees at the level of General Manager.



18.3. Protected Disclosures/ Complaints in exceptional cases.



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