

Pioneer Gas Power Limited

VIGIL MECHANISM POLICY

1. PREFACE

- a. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.
- b. The Company is committed to develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- c. Section 177 (9) of Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Powers) Rules, 2014 provides a mandatory requirement, for all unlisted companies which has borrowed money from banks and public financial institutions in excess of Rs. 50 Crores to establish a mechanism called “**Vigil Mechanism**” for their directors and employees to report their genuine concerns or grievances.
- d. Vigil (Whistle Blower) Mechanism provides channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of Codes of Conduct or policy. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing.
- e. The policy neither releases employees from their duty of confidentiality in the course of their work, nor it is the route for taking up a grievance about a personal situation.

2. POLICY

- a. The Policy is for the Employees as defined hereinafter.
- b. The Policy has been drawn up so that Employees can be confident about raising a concern. The areas of raising concern covered by this policy are summarized as follows:
 - (i) Abuse of authority
 - (ii) Negligence causing substantial and specific danger to public health and safety.
 - (iii) Manipulation of company data/records
 - (iv) Financial irregularities, including fraud, or suspected fraud
 - (v) Criminal offence
 - (vi) Pilferation of confidential/propriety information
 - (vii) Deliberate violation of law/regulation
 - (viii) Wastage/misappropriation of company funds/assets
 - (ix) Breach of employee Code of Conduct or Rules
 - (x) Any other unethical, biased, favoured, imprudent event
- c. The policy should not be used in place of Company grievance procedure or be a route for raising malicious or unfounded allegations against colleagues.
- d. The Managing Director of the Company has the right to amend and modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

3. DEFINITIONS

- a. “**Alleged wrongful conduct**” shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority”.

b. “Disciplinary Action” means any action that can be taken on 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.

c. “Employee” means every employee of the Company (whether working in India or abroad) including directors of the Company.

d. “Protected Disclosure” means a disclosure which should be factual and not speculative or in the nature of interpretation/conclusion and should contain as much as specific information as possible to allow for assessment of the nature and extent of the concern.

e. “Subject” means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

f. “Whistle Blower” means employee or group of employees who make Protected Disclosure under this Policy.

g. “Board” means the Board of Directors.

h. “Audit Committee” means a Committee constituted of the Company in accordance with the Companies Act, 2013 by the Board of Directors.

i. “Vigilance and Ethics Officer” means an independent director and member of the Audit Committee as appointed by Managing Director of the Company to receive Protected Disclosures from whistle blowers and ensuring appropriate action.

j. “Investigators” means those persons authorized, appointed, consulted or approached by **Vigilance and Ethics Officer** and includes the auditors of the Company and the police.

4. ELIGIBILITY

All employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

5. DISQUALIFICATION

- 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 the false or bogus allegation made by the Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide, frivolous or malicious* shall be liable to be prosecuted under the Company’s Code of Conduct.
- d. In case of repeated frivolous Protected Disclosures being made Whistle Blower the Chairman of the Audit Committee may take a suitable action against the Whistle Blower.
- e. Whistle Blowers who may make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who have make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures.

6. PROCEDURE

- a. All Protected Disclosures should be addressed to **Vigilance and Ethics Officer** of the Company for investigation.
- b. Mr. Venkatachalam Subramanian, Independent Director and Chairman Audit Committee of the Company is appointed as first **Vigilance and Ethics Officer**.

His contact details are as follows:

Name- Mr. Venkatachalam Subramanian

Address- C-48, Madhura Nagar
Hyderabad-500038
Telangana State, India

E mail Id- vsubbu.dr@gmail.com

Contact No- 9849452298

- c. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.
- d. The Protected Disclosures should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. **Vigilance and Ethics Officer** shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- e. Protected Disclosure should be factual and not speculative or in 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.
- f. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

7. INVESTIGATION

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the **Vigilance and Ethics Officer** who may also appoint another Investigator(s) to investigate/oversee the investigations under the authorization of the **Vigilance and Ethics Officer**.
- b. The decision to conduct an investigation taken by the **Vigilance and Ethics Officer** is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- c. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of the law and the investigation.
- d. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- e. Subjects shall have a duty to co-operate with the **Vigilance and Ethics Officer** or any of the Investigators during investigation to the extent that such co-operation will not compromise self incrimination protections available under the applicable laws.

- f. Subjects shall have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- g. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

8. PROTECTION

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported Protected Disclosure under this Policy. The Company, as a policy, 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 its duties/functions including making further Protected Disclosure. The Company will 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 about the procedure etc.
- b. A Whistle Blower may report any violation of the above clause to the **Vigilance and Ethics Officer**, who shall investigate into the same and recommend suitable action to the management.
- c. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9. INVESTIGATORS

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights **Vigilance and Ethics Officer** when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c. Investigation will be launched only after a preliminary review by the **Vigilance and Ethics Officer** which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct, and
 - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information. It is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

- d. If any of the **Vigilance and Ethics Officer** or the investigator has a conflict of interest in a given case, they should rescue themselves and the other members of the Audit Committee or another investigator so appointed would deal with the matter on hand.

10. DECISION

If an investigation leads the **Vigilance and Ethics Officer** to conclude that an improper or unethical act has been committed, the **Vigilance and Ethics Officer** shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem 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 applicable personnel or staff conduct and disciplinary procedures.

11. SECRECY / CONFIDENTIALITY

The Whistle Blower, the Subject, the Investigator, **Vigilance and Ethics Officer**, Chairman of the Audit Committee, Members of Audit Committee, and everybody involved in the process shall:

- a. Maintain confidentiality of all matters under this Policy
- b. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- c. Not discuss the matter in any informal/social gatherings/meetings
- d. Not keep the papers unattended anywhere at any time
- e. Keep the electronic mails / files under password.

If anyone is found not complying with the above he/she shall be held liable for such disciplinary action as is considered fit.