

SUDHIR POWER LIMITED

VIGIL MECHANISM

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1. INTRODUCTION

- 1.1 Sudhir Power Limited (hereinafter referred to as “**SUDHIR**” or “**the Company**”) requires that all director and employees are adhered to high ethical standards in business conduct and comply with laws and regulations, company's code of conduct and ethics policies and practices and procedures. Ethical behavior in the areas of business conduct is of utmost priority to the Company.
- 1.2 The provisions of the Companies Act, 2013 read with relevant rules issued thereon (“**2013 Act**”) also provides for requirement of having Vigil Mechanism within the Company, for employees and directors, who may raise their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- 1.3 To achieve this, Company has formulated this policy, as a vigil mechanism that will provide a platform to the directors and employees of the Company to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy or any other grievances.
- 1.4 The policy neither releases Employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.
- 1.5 This Policy shall come into force w.e.f 01.04.2022

2. DEFINITIONS

- 2.1 **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.
- 2.2 **Audit Committee** means Committee constituted by the Board of Directors under Section 177 of the 2013 Act
- 2.3 **Board of Directors or Board** in relation to a Company, means the collective body of Directors of the Company as defined under Section 2(10) of the 2013 Act
- 2.4 **Employee** means every employee of the Company whether permanent or temporary, working in India or abroad

- 2.5 **Good Faith** means that an employee has 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 of the facts 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.
- 2.6 **Protected Disclosure** means a written communication of a concern made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" 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.
- 2.7 **Subject** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 2.8 **Vigilance Officer** means an officer appointed by the Board of Directors of the Company to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- 2.9 **Whistle Blower** is a Director or an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

3. POLICY OBJECTIVES

- 3.1 The Company is committed to adhere to the highest standards of ethical, moral and legal 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.
- 3.2 A Vigil mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy.

- 3.3 The mechanism provides for adequate safeguards against victimization of employees and Directors to avail the mechanism and also provide direct access to the Chairman of the Audit Committee in exceptional circumstances.

4. THE GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- 4.1 Ensure that the Whistle Blower /or the person processing the Protected Disclosure is not victimized for doing so
- 4.2 Treat victimization as a serious matter including initiating disciplinary action on such person/(s)
- 4.3 Ensure complete confidentiality
- 4.4 Not attempt to conceal evidence of the Protected Disclosure
- 4.5 Take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosure made/to be made
- 4.6 Provide an opportunity of being heard to the persons involved especially to the Subject
- 4.7 Make Provisions for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases

5. COVERAGE OF POLICY

The Policy covers unethical or improper activities, malpractices and any event of misconduct which has taken place/suspected to take place involving:

- 5.1 Abuse of authority at any defined level in the company and or not following defined policies and procedures of the Company
- 5.2 Acts involving acceptance of bribe or any other form of corruption
- 5.3 Disclosure of confidential/proprietary information to any outsider
- 5.4 Financial irregularities, including fraud, or suspected fraud
- 5.5 Any willful/deliberate violation of statutory law(s), regulations and government directives applicable to the Company, thereby exposing the Company to penalties/fines
- 5.6 Wastage/misappropriation of company funds/assets
- 5.7 Breach of employee Code of Conduct or Rules, if any
- 5.8 Violation of the company's Code of Conduct or ethics Policy
- 5.9 Any activity of unethical behavior, actual or suspected fraud

5.10 Any other activities injurious to the interests of the Company

6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

- 6.1 All Protected Disclosures should be reported in writing by the complainant as soon as possible not later than 30 days 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 or Hindi.
- 6.2 The Protected Disclosure should be submitted to Vigilance Officer as designated by the Company from time to time in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower Policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.
- 6.3 In order to protect identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer. The Vigilance Officer shall assure that in case any further clarification is required, he will get in touch with the complainant in such a manner, as to protect the identity of the complainant.
- 6.4 Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.
- 6.5 All Protected Disclosures should be addressed to the Vigilance Officer of the Company in normal cases. The contact details of the Vigilance Officer is as under:-

Name and Address – Mr. Sunil Sikka residing at A-1/103, Safdarjung Enclave, New Delhi-110029

Designation- Independent Director

- 6.6 Protected Disclosure against the Vigilance Officer and Director should be addressed to the Chairman of the Audit Committee. The contact details of the Chairman of the Audit Committee of the Company.
- 6.7 On receipt of the protected disclosure the Vigilance Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. The record will include:

- 6.7.1 Facts of the matter
 - 6.7.2 Reference, if available on whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - 6.7.3 Reference, if available on whether any Protected Disclosure was raised previously against the same Subject;
 - 6.7.4 The financial/otherwise loss which has been incurred/would have been incurred by the Company.
 - 6.7.5 Details of actions taken by Vigilance Officer / Chairman of the Audit Committee for processing the complaint
 - 6.7.6 Findings of Audit Committee;
 - 6.7.7 The recommendations of the Audit Committee/ other action/(s).
- 6.8 The Audit Committee, if deemed fit, may call for further information or particulars from the complainant.

7. INVESTIGATION

- 7.1 All Protected Disclosures under this policy will be thoroughly investigated. The vigilance officer will carry out an investigation either himself/herself or by involving any other officer of the company/committee constituted for the same/ an outside agency before referring the matter to the Audit Committee of the Company.
- 7.2 The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 7.3 The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.4 Subject(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.
- 7.5 Subject(s) shall have a duty to co-operate with the Vigilance Officer /Audit Committee or any of the Officers appointed by it in this regard.
- 7.6 Subject(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, coached, threatened or intimidated by the subject(s).
- 7.7 Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance Officer / Investigators and/or members of the Audit Committee and/or the

Whistle Blower.

- 7.8 Subject (s) shall have the right to access any documents/information for their legitimate need to clarify/defend themselves in the investigation proceedings
- 7.9 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.10 Subject(s) have a right to be informed of the outcome of the investigations. 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.
- 7.11 The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.
- 7.12 Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

8. DECISION AND REPORTING

- 8.1 If an investigation leads the Vigilance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as they may deem fit.
- 8.2 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.
- 8.3 The Vigilance Officer shall submit a report to the Chairman of 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.
- 8.4 In case the Subject is the Director of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

- 8.5 If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.6 A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee, shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

9. SECRECY / CONFIDENTIALITY

The Whistle Blower, the Subject, Audit Committee and everyone involved in the process shall:

- 9.1 Maintain complete confidentiality/ secrecy of the matter
- 9.2 Not discuss the matter in any informal/social gatherings/ meetings
- 9.3 Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- 9.4 Not keep the papers unattended anywhere at any time
- 9.5 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.

10. PROTECTION

- 10.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers.
- 10.2 A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- 10.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority.
- 10.4 Any other Employee assisting in the said investigation shall also be protected to the

same extent as the Whistle Blower.

10.5 The complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases, where the vigilance officer or the audit committee is not able to resolve the grievances and committee consider appropriate to allow the whistle blower to reach out to the Chairman of Audit Committee directly and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

12. COMMUNICATION

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the Company.

13. RETENTION OF DOCUMENT

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 08 (eight) years or such other period as specified by any other law in force, whichever is more.

14. REVIEW AND AMENDMENT OF THE POLICY

Board will review and may amend this policy as may be required from time to time in accordance with the provisions of the 2013 Act and any further amendments and notifications as may be made effective in this regard. Any subsequent notification, circular, guidelines or amendments under 2013 Act as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this policy.
