

VIGIL MECHANISM POLICY

PURVANCHAL PROJECTS PRIVATE LIMITED

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(Pursuant to Section 177 of the Companies Act, 2013)

1. INTRODUCTION

This Vigil Mechanism Policy ("Policy") is laid down in accordance with the provisions of Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Policy aims to provide a mechanism for directors, key managerial personnel (KMP) and employees to report concerns regarding unethical behaviour, actual or suspected fraud, or violation of the company's code of conduct.

2. LEGAL FRAMEWORK

Section 177 (9) of the Companies Act, 2013, mandates that every listed company **or such class or classes of companies**, as may be prescribed, shall establish a vigil mechanism for directors and employees to report concerns in such manner as may be prescribed.

Section 177 (10) provides that the vigil mechanism shall offer adequate safeguards against victimization of persons using such mechanism and shall allow direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. Details of the establishment of such a mechanism **must be disclosed on the company's website, if any, and in the Board's report**.

Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, further clarifies the requirement for the establishment of a vigil mechanism for specified classes of companies, including those accepting public deposits and those borrowing in excess of fifty crore rupees.

3. APPLICABILITY

The borrowings of Purvanchal Projects Private Limited (hereinafter referred to as PPL) exceed the permissible limit as stipulated in the above-mentioned Rules, thereby mandating the Company to establish and adopt this Policy.

4. OBJECTIVES

The primary objectives of this Vigil Mechanism Policy are as follows:

1. Encouragement of Reporting Genuine Concerns:

- **Illegal or Unethical Behaviour:** To create a framework that enables employees, Key Managerial Personnel, and directors to report, without fear of reprisal, any conduct that may constitute a violation of law, regulatory obligations, fiduciary duties, or the Company's code of conduct.

- **Actual or Suspected Fraud:** To provide a structured channel for reporting actual or suspected fraudulent activities, thereby enabling the prompt detection and appropriate resolution of any misrepresentation or deceit that may compromise the Company's financial integrity or reputation.
- **Violation of Company Policies:** To facilitate the reporting of any conduct in violation of the Company's established code of conduct or ethics policies, thereby promoting compliance with internal governance standards.

2. **Protection Against Retaliation and Victimization:**

- **Good Faith Reporting:** This protection encourages individuals to come forward without fear of retribution, thus supporting a culture of openness and accountability.
- **Safe Reporting Environment:** To establish a secure and supportive environment where individuals can voice their concerns about wrongful practices without the risk of facing adverse actions, such as demotion, dismissal, harassment, or discrimination.

3. **Fair and Transparent Process for Handling Concerns:**

- **Investigation Procedures:** To implement and examine a systematic approach for examining the validity of complaints, ensuring that all allegations are thoroughly and impartially investigated.
- **Resolution and Feedback:** To ensure timely and effective resolution of reported concerns, including communicating investigation outcomes and corrective actions to the whistleblower.
- **Accountability and Documentation:** To maintain comprehensive records of all reported concerns, the actions taken in response, and the final resolutions. Ensuring transparency and accountability in complaint management and supporting the continuous enhancement of the Company's ethical standards.

5. **SCOPE**

This Policy governs the identification and reporting of unethical practices and misconduct within PPL and sets forth the areas covered herein:

1. **Malpractices and Events:**

- **Occurrences and Suspicions:** The Policy covers both actual incidents and suspicions of malpractice. It provides a comprehensive framework for reporting any conduct or incident deemed unethical or improper, irrespective of full substantiation.

2. **Misuse or Abuse of Authority:**

- **Power and Position:** Misuse of authority, including exploitation for personal gain, coercion, favoritism, or any conduct undermining ethical standards, is strictly prohibited.

3. Fraud and Suspected Fraud:

- **Deceptive Practices:** Reporting of any fraudulent acts or attempts to defraud the Company, including but not limited to financial fraud, misrepresentation of facts, forgery, or other deceptive practices intended to confer undue advantage to an individual or group to the detriment of the Company.

4. Violation of Company Rules:

- **Non-Compliance:** Any actions that contravene the Company's established rules, regulations, and policies, thereby promoting adherence to prescribed guidelines and sustaining a consistent, compliant operational environment.

5. Manipulations:

- **Improper Alterations:** Any manipulative actions intended to dishonestly alter records, reports, or any company data, such as falsification of documents, alteration of financial statements, or other practices that distort the truth.

6. Negligence Endangering Public Health and Safety:

- **Risky Practices:** Negligence that endangers public health or safety, including failure to comply with safety protocols and health regulations, is covered under the Policy.

7. Other Activities Affecting Company Interests:

- **Broad Concerns:** Any activities or behaviour that may adversely affect the Company's interests are covered, ensuring protection of all aspects of its operations and reputation.

6. SAFEGUARDS

The Policy provides protections to whistleblowers reporting bona fide concerns, ensuring a secure and supportive disclosure framework.

1. Protection Against Victimization:

- **Shield Against Retaliation:** Directors, KMP and Employees reporting concerns in good faith are protected from retaliation, including termination, demotion, harassment, or discrimination. The Company is committed to preventing adverse actions against whistleblowers.
- **Safe Working Environment:** The Policy ensures whistleblowers are protected from any adverse consequences, including threats, intimidation, or unfair treatment, arising from their reporting.

2. Confidentiality:

- **Anonymity Assurance:** The whistleblower's identity will be kept confidential to the fullest extent permitted by law, with all reasonable efforts made to protect it throughout and after the investigation.
- **Discreet Handling of Information:** Information disclosed by the whistleblower will be handled confidentially and shared solely with personnel necessary for conducting a thorough investigation, thereby preserving the integrity of the process.

3. **Direct Access:** Whistleblowers may escalate concerns directly to the Board Chairman in exceptional cases. Multiple reporting channels are available, enabling selection of the most appropriate and secure method.

4. **Assurance of Non-Retaliation:** Any individual reporting concerns in good faith shall be protected from retaliation. Whistleblowers who believe they have faced retaliation may report the incident, and appropriate measures will be taken to ensure their protection and remedy the situation.

5. Supportive Framework:

- **Encouragement to Report:** Employees and directors are empowered to report concerns without fear, supported by safeguards that promote a culture of ethical conduct and transparency.
- **Continuous Improvement:** The Company continuously improves its safeguards to keep whistleblower protections effective and aligned with best practices.

7. PROCEDURE FOR REPORTING

Concerns can be reported by:

- Emailing the Chairman of the Vigil Mechanism Committee at contact@purvanchalprojects.com.
- Submitting a written complaint in the prescribed format.

8. VIGIL MECHANISM *

The Vigil Mechanism Committee will comprise the following members:

1. Shri. Jagat Singh Thakur – Chairman of the Committee
2. Shri. Vishnu Dutt - Member of the Committee

***Composition Updated On – April 8,2025**

9. REPORTING FORMAT

Complaints should be reported in the following format:

Date	
Name & Designation of Complainant	
Email-id	
Address	
Contact No.	
Subject matter being reported/complained about	
Complaint in brief	
Evidence (if Any)	
Signature	

10. REVIEW AND ACTION

The Vigil Mechanism Committee is responsible for the thorough review of all reported concerns and for ensuring that appropriate corrective actions are taken. The Committee's responsibilities and procedures are outlined below:

1. **Comprehensive Review of Concerns:**

- **Initial Assessment:** Upon receipt of a complaint, the Committee conducts a preliminary evaluation to ascertain the nature, seriousness, and relevance of the concern within the scope of the Vigil Mechanism Policy.
- **Detailed Investigation:** For complaints deemed valid, the Committee undertakes a comprehensive investigation, including fact-finding, interviewing relevant parties, and examining all pertinent documentation, with the objective of an impartial and thorough resolution.

2. **Appropriate Action Based on Findings:**

- **Action Plan:** Based on the investigation findings, the Committee shall formulate an action plan to address the reported concern, which may include corrective measures, disciplinary actions, or process improvements aimed at preventing recurrence.
- **Implementation and Monitoring:** The Committee shall supervise the execution of the action plan and continuously monitor its effectiveness.

3. **Dealing with Frivolous Complaints:** The Committee will identify and address complaints found to be frivolous or malicious. Repeated frivolous complaints may result in reprimands or disciplinary action to protect the integrity of the Vigil Mechanism and prevent misuse.

4. **Transparency and Accountability:**

- **Clear Communication:** The Committee shall communicate the investigation outcome and actions taken to the whistleblower, ensuring transparency throughout the process.
- **Documentation and Record-Keeping:** All complaints, investigations, findings, and actions taken shall be documented, with records maintained under the supervision of the Board of Directors.

5. **Reporting:**

Rule 7(3) of Companies (Meetings of Board and its Powers) Rules, 2014- In case of other companies, the Board of directors shall nominate a director to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

- **Half Yearly report Reports:** The Vigil Mechanism Committee shall prepare and submit half-yearly reports to Mr. Shah Alam, Managing Director, detailing all complaints received, their nature, investigation findings, and actions taken. Mr. Shah Alam will review these reports to assess the effectiveness of the Vigil Mechanism and recommend any necessary improvements or changes.

11. REPORTING AND RECORD-KEEPING

The process for reporting and reviewing complaints is outlined as follows:

1. **Regular Reporting:**

- **Frequency of Reports:** The Vigil Mechanism Committee will compile a comprehensive report on a half-yearly basis.
- **Contents of the Report:** The report will include detailed information on the following:
 - i. **Number of Complaints:** The total number of complaints received during the reporting period.
 - ii. **Nature of Complaints:** A classification of the complaints based on their nature, such as fraud, misuse of authority, violations of company rules, negligence, etc.

- iii. **Outcome of Investigations:** The results of the investigations conducted, including whether the complaints were substantiated or found to be frivolous.
- iv. **Actions Taken:** The specific actions recommended and implemented by the Vigil Mechanism Committee to address the complaints. This may include corrective measures, disciplinary actions, and any steps taken to prevent recurrence.

2. **Presentation to Mr. Shah Alam:**

- **Submission of Report:** The half-yearly report will be presented to Mr. Shah Alam.
- **Review and Feedback:** Mr. Shah Alam will review the report, providing feedback and recommendations as necessary to ensure the of the vigilance process.

3. **Approval by the Board of Directors:**

- **Board Review:** The report, along with any feedback from Mr. Shah Alam, will be submitted for approval to the Board of Directors.
- **Board Approval:** Upon review, the Board of Directors shall approve the report to ensure alignment with the Company's policies and ethical standards, reinforcing its commitment to transparency and accountability.

4. **Continuous Improvement:**

- **Implementation of Recommendations:** Based on the feedback and approvals received, the Vigil Mechanism Committee will implement any recommended changes or improvements to the process.
- **Ongoing Monitoring:** The Committee shall continuously monitor the effectiveness of the actions taken and implement necessary adjustments to strengthen the vigilance framework.

12. **ANNUAL AFFIRMATION**

The Company shall annually affirm that no whistleblower was denied access to the Vigil Mechanism Committee, with such affirmation forming part of the Directors' Report.

13. **POLICY AMENDMENTS**

The Board of Directors reserves the right to alter, amend, or modify this Policy at its discretion, as may be required to align with the Company's needs or to comply with applicable laws, rules, and regulations.

*****End*****