



VIGIL MECHANISM / WHISTLE BLOWER POLICY

PATEL ENGINEERING LIMITED

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1. Preface

- 1.1. Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, *inter alia*, provides for a requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.
- 1.3. Under these circumstances, Patel Engineering Limited ("PEL"), being a Listed Company proposes to establish a Vigil Mechanism and formulate a Whistle Blower Policy.

2. Policy Objectives

- 2.1. 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. A Vigil (Whistle Blower) 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 Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ Managing Director/ Chairman of the Audit Committee in exceptional cases.
- 2.2. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. Scope of the Policy

- 3.1. This Policy covers malpractices and events which have taken place / suspected to have taken place, misappropriation of monies/assets or resources or violation of the Company's code of conduct on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

*The employees of the Company can also report instances of leak of Unpublished Price Sensitive Information (UPSI) under the mechanism provided in the Policy.

4. Definitions

- 4.1. "**Audit Committee**" means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013.
- 4.2. "**Board**" means the Board of Directors of the Company.
- 4.3. "**Company**" means Patel Engineering Limited. .
- 4.4. "**Code**" means Code of Conduct for employees/whole time Directors of the Company.
- 4.5. "**Employee**" means all the present employees and whole time Directors of the Company (Whether working in India or abroad).
- 4.6. "**Protected Disclosure**" 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 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.
- 4.7. "**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.
- 4.8. "**Vigilance Officer**" means an officer appointed 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.
- 4.9. "**Whistle Blower**" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

* included vide resolution of Board of Directors dated November 14, 2019

5. Eligibility

All Employees and directors of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

6. Receipt and disposal of protected disclosures.

- 6.1. All Protected Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation. It 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.
- 6.2. In respect of all other Protected Disclosures, those concerning the vigilance officer and employees at the level of Vice Presidents and above should be addressed to the Chairman of the Company and those concerning other employees should be addressed to the Company Secretary who shall act as Vigilance officer.
- 6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as **“Protected disclosure under the Whistle Blower policy”** addressed to the Vigilance Officer OR Chairman of the Company OR Chairman, Audit Committee. Alternatively, the same can also be sent through email with the subject **“Protected disclosure under the Whistle Blower policy”**.
- 6.3. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer / Chairman of the Company/Chairman of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

The contact details of the Chairman of Audit Committee, Chairman of the Company and Vigilance Officer are as under:-

Name of Address of Vigilance officer

The Company Secretary
Patel Engineering Ltd,
Patel Estate Road,
Jogeshwari (West), Mumbai- 400102,
email id : shobha.shetty@pateleng.com.

Name and Address of Chairman of the Company:

The Chairman
Patel Engineering Limited,
Patel Estate Road,
Jogeshwari (West),
Mumbai – 400102.

Name and Address of the Chairman of the Audit Committee

The Chairman of the Audit Committee,
c/o office of Vigilance officer,
Patel Engineering Ltd, Patel Estate Road,
Jogeshwari (W), Mumbai – 400102.

6.7. On receipt of the protected disclosure the Vigilance Officer / Chairman/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. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action.

7. Investigation

7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. 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.

7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

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.

7.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

7.5. 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.

7.6. 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. 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.

7.8. 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.

7.9. 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.

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 management of the Company to take such disciplinary or corrective action as he 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.

8.2. 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.

8.3. In case the Subject is the Chairman 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.

8.4. 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.

8.5. A complainant who makes false allegations of unethical & improper practices 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

9.1. The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

9.1.1. Maintain confidentiality of all matters under this Policy

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

9.1.3. Not keep the papers unattended anywhere at any time

9.1.4. Keep the electronic mails / files under password.

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. 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 his 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 advice about the procedure, etc.
- 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. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 10.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 10.5. Provided however that 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. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

11. Access to Chairman of the Audit Committee

11.1. The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases as stated in the policy and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

12. Communication

12.1. 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 Documents

13.1. 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 7 (seven) years or such other period as specified by any other law in force, whichever is more.

14. Administration and review of the Policy

14.1. The Chief Financial Officer shall be responsible for the administration, interpretation, application and review of this policy. The Chief Financial Officer also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

15. Disqualifications

15.1 While it will be ensured that genuine Whistle Blowers are given complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will attract disciplinary action.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company / Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

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. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.