

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

APPROVED BY THE BOARD OF DIRECTORS ON NOVEMBER 09, 2015

### 1. PREAMBLE

- i. Section 177(9) 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.
- ii. In compliance of the above requirements, Pennar Engineered Building Systems Limited, (PEBSPENNAR or the Company), has established a Vigil Mechanism and formulated a Policy.

### 2. DEFINITIONS

**“Protected Disclosure”** means written communication either in mail or letter or any other electronic format etc of a concern made in good faith, which discloses or exhibit information that may evidence an unethical activity or improper activity under the title **“scope of the policy”** in respect to the Company. It should be factual as possible to allow for proper assessment of the nature and extent of the concern.

**“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made during an investigation.

**“Vigilance Officer** is a person nominated to receive protected disclosures from whistle blowers, placing the same before the Audit Committee for its disposal.

**“Whistle Blower”** is a Director or employee or any other person interested, who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

### 3. SCOPE OF THE POLICY

The Policy covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:

1. Breach of the Company’s rules and/or Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment
4. Deliberate Financial irregularities, fraud or suspected fraud
5. Intentional violation of laws/regulations and Manipulation of Company’s records/data
6. Gross or Wilful Negligence causing substantial and specific danger to health, safety and environment
7. Leakage of secret and confidential information of the Company
8. Gross Wastage/misappropriation of Company funds/assets
9. Causing danger to Public Health and Safety

#### 4. ELIGIBILITY

- i. Any Director or Employee who come across the unethical activities or improper activity under the title “scope of the policy” are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company and that such person would be protected from victimisation for the complaint made by him/her.

#### 5. PROCEDURE

- i. All Protected Disclosures should be reported in writing or sent through email by the complainant as soon as possible, preferably not later than 30 days after the Whistle Blower becomes aware of the same. It is not necessary that the Complainant should disclose his/her identity.
- ii. All Protected Disclosures shall be addressed to the Vigilance Officer of the Company or may be addressed to the Chairman of the Audit Committee.
- iii. The contact details of the Vigilance Officer are as under:-

**Subhash Kandrapu- Company Secretary and Compliance Officer**  
subhash@pebspennar.com  
Mobile – 9908984747

**Mr. Kamalakar Rao Bandari**  
Audit Committee Chairman  
bkamalakerrao@yahoo.com  
Flat No. 603, Bandari Residency,  
Umanagar, Kundan Bagh,  
Hyderabad - 500016

#### 6. INVESTIGATION

- i. All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ an outside agency before referring the matter to the Audit Committee of the Company.
- ii. The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/ or an outside agency for the purpose of investigation.
- iii. The investigation by itself would not tantamount to an accusation and is to be treated as a fact finding process.
- iv. The investigation shall be completed normally within 60 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.
- v. 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.

## **7. DECISION**

- i. If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.
- ii. A complainant who makes false allegations of unethical and 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. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, may be liable to be prosecuted

## **8. PROTECTION**

- i. 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.
- ii. 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.
- iii. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

## **9. CONFIDENTIALITY**

- i. The persons involved with the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody and electronic mails & files under password protected.

## **10. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

- i. The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases.

## **11. DISCLOSURE**

- i. The policy will be uploaded on the website of the Company and link to that effect will be disclosed in the Annual Report of the Company.

## 12. AMENDMENT

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

**For and on behalf of the Board of Directors**



**P V Rao**  
**Managing Director**  
**DIN : 03157581**

**Place: Hyderabad**

**Date: November 09, 2015**