

## VIGIL MECHANISM POLICY OF MPPKVCL

### Preface

- i) Section 177 (9) of the Companies Act, 2013 mandates the following classes of companies to constitute a vigil mechanism –
- Every listed company;
  - Every company which accepts deposits from the public;
  - Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.
- ii) Such a vigil mechanism shall be established for directors and employees to report genuine concerns or grievance in such manner as may be prescribed. Further such vigil mechanism shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
- iii) Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 and rules made there under, the Company has set up and adopted the following Vigil Mechanism (here in after referred to as 'Mechanism') which lays down the principles and standards governing the management of grievances and concerns of employees and directors of the Company and shall be overseen by the Audit Committee (hereinafter referred to as 'Committee') of the Company. The Mechanism as set up here in below shall enable the employees and the directors of the Company to report their genuine concerns or grievances about the actual and potential violation of the principles and standards.
- iv) The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards the Company encourages the employees to voice their genuine concerns without fear of censure.

### Mechanism

#### 1. Objectives :-

To encourage employees to bring genuine ethical and legal concerns, violations and fraudulent behavior of which they are or become aware of, to an internal authority so that action can be taken immediately to resolve the problem.

To minimize the Company's exposure to the damage that can occur when the employees actually or potentially try to circumvent internal mechanisms in furthering the aforementioned concerns, violation and frauds.

To let employees know that the Organization is serious about adherence to the policy.

#### 2. Scope :-

This policy covers malpractices and events which have taken place, misuse or abuse of authority, fraud, violations of Company's rules, manipulations, negligence causing danger to public health and safety, misappropriation of money and other matters or activities on account of which the interest of the Company is affected.

This Policy does not cover frivolous, anonymous and bogus complaints; any matter already addressed pursuant to disciplinary or other procedures of the Company; career or employment related; and other personal grievances will not be covered by this policy.

However, this mechanism does not release the employees from their duty of confidentiality in the course of their work and nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

The Complainant's role raising the concern is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

### **3. Eligibility :-**

All Employees and Directors of the Company are eligible to make disclosures under the mechanism in relation to matters concerning the Company.

### **4. Disqualifications :-**

- i) While it will be ensured that genuine Complaints are accorded complete protection from any kind of unfair treatment as here in set out, any abuse of this protection will warrant disciplinary action.
- ii) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Complainant knowing it to be false or bogus or with a mala fide intention.
- iii) In respect of such Complainant, who make such Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, the Vigilance Officer/Audit Committee shall recommend appropriate disciplinary action.
- iv) Anonymous disclosures will not be entertained.

### **5. Procedure :-**

- i) In respect of Complaints/Grievances (hereinafter referred to as 'Disclosure') those concerning the Directors of the Company and the Vigil mechanism Officer should be addressed to the Chairman of the Audit Committee of the Company and those concerning employees at the level of Head of Departments of the Company should be addressed to the MD of the Company and those concerning the other employees of the Company should be addressed to the Vigil mechanism Officer of the Company.
- ii) Direct access to the Chairman of the Audit Committee can be made in exceptional cases. The Chairman shall prescribe suitable direction in this regard.
- iii) The contact details of the Chairman of the Audit Committee, Managing Director of the Company and the Vigil mechanism Officer of the Company (hereinafter referred to as Appropriate Authority) are as under:

<b>Chairman of the Audit Committee</b> Shri Sanjay Kumar Shukla, IAS Managing Director, MP Power Management Co. Ltd Shakti Bhawan, Rampur Jabalpur	<b>Managing Director of the Company:</b> Shri Nand Kumarum IAS Managing Director MP Paschim Khetra Vidyut Vitran Co. Ltd GPH Compound, Pologround Indore
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**Vigil mechanism Officer of the Company:**

Mr. A.L. Quraishi, Dy. Secy, and member of Internal Vigilance Cell MP Paschim Khsetra  
Viduyit Vitran Co. Ltd GPH Compound, Polo ground, Indore

Any Changes in the above will be notified suitably on the website.

- iv) The complaint shall be submitted in duly filled complaint form provided herein in Annexure-I. Disclosures should be reported in writing 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.
- v) Adequate care shall be taken to keep the identity of the Complainant confidential. In order to protect the identity of the complainant, the appropriate Authority, shall maintain confidentiality of the complainants.
- vi) In the event of the identity of the complainant being disclosed, the Committee is authorized to initiate appropriate action against the person or agency making such disclosure.
- vii) The appropriate Authority, shall on the receipt of the Complaints/Grievances of any of above frauds or events shall make a record of the Complaints/Grievances and also ascertain from the complainant whether he was the person who made the Complaint/Grievance or not. Anonymous disclosures will not be entertained. Name may be given in a sealed envelop to be opened by appropriate authority only.
- viii) The appropriate Authority, if it deems fit, shall call for further information from the complainant.
- ix) Disclosures should be factual and not speculative or in the 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.
- x) The appropriate Authority shall carry out initial investigation for proper assessment of the compliant
- xi) The appropriate Authority shall carry out detailed investigation if prima facie the reported disclosure is found to be sustainable.
- xii) The initial investigation or detailed investigation by the appropriate Authority either by itself or may at its discretion, consider involving any other authority/person for this purpose, as it may deem fit.
- xiii) The decision to undertake the investigation by the appropriate Authority shall not by itself be regarded as the acceptance of the accusation made. It is a neutral fact finding process to ascertain the truth of the accusation.
- xiv) Any member of the Audit Committee/ the appropriate Authority or such other officer involved in the investigation, having any conflict of interest with the matter shall disclose his/her concern/interest forth with and shall not deal with the matter.
- xv) The Employee/Director against whom disclosure has been reported shall :-
  - Co-operate with the appropriate Authority or the Committee or any person appointed in this regard.
  - Have a right to consult any person of his choice other than members of Audit Committee/the appropriate Authority/Investigators and /or Complainant.

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- Shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- Not interfere in investigations conducted by the appropriate Authority.
- Not withhold, tamper or destroy any of evidences.
- Unless otherwise restricted, be given an opportunity to respond to material findings.
- Not threaten, influence or intimidate complainant or any of witnesses
- Have a right to know the outcomes of investigation.

xvi) The investigations shall normally be completed within a period of 90 days. If the investigations could not be completed in this period that the appropriate authority shall record reasons for the delay.

#### **6. Decisions :-**

If the outcomes of the investigation leads to a conclusion that, any improper or unethical act has been committed, then the appropriate Authority shall record the same and recommend the complaint along with the findings upon investigation and reasons thereof to the Audit Committee for the remedial or corrective action, if any required, to be taken against the concerned employee/director. The decision of the Committee shall be recorded with reasons and a copy of the same shall be forwarded to the complainant and the employee/Director against whom disclosure has been reported.

#### **7. Reporting :-**

The appropriate Authority shall submit a report to the Audit Committee on a regular basis about all the Disclosures referred to it since the last report together with the results of investigations, if any.

#### **8. Secrecy and Confidentiality :-**

The appropriate Authority, the Audit Committee as well as complainant 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 investigation.
- c) Not keep the papers unattended anywhere at any time.
- d) Keep the electronic mails/files under password and under safe custody.

#### **9. Protection :-**

- i) No unfair treatment will be meted out to a complainant by virtue of his/her having reported a 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 complainants and protection will therefore be given to complainant against any unfair practice. The Company will take steps to minimize difficulties which the complainant may experience as a result of making the disclosure.
- ii) A Complainant may report any violation of the above clause to the Chairman of the Committee, who shall investigate into the same and recommend suitable action to the management.
- iii) Any other employee assisting in the said investigation shall also be protected to the same extent as the complainant. This policy does not protect an employee from an adverse

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action taken independent of his disclosure of unethical and improper practice etc.  
unrelated to a disclosure made pursuant to this policy.

**10. Display of Mechanism on Website :-**

The Company shall display the establishment of Vigil Mechanism herein setup or any subsequent amendment or modification therein on its website. The details of establishment of such Mechanism shall also be disclosed in the Board's Report.

**11. Retention of documents :-**

All Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of five years or for such period as may be specified by law in force in this regard from time to time.

**12. Amendment :-**

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

**Annexure-1**

Date : \_\_\_\_\_

Name of Complainant : \_\_\_\_\_

Email-id : \_\_\_\_\_

Address : \_\_\_\_\_

Mobile no. : \_\_\_\_\_

Any other contact no. : \_\_\_\_\_

Subject matter which is being reported :

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Name of Person/Event focused at :

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Brief about concern :

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Evidence (if Any) :

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Signature

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(Name in Full)