



Vigil Mechanism Policy

Background

As per Sub section (9) and (10) of section 177 of Companies Act, 2013 read with rule 7 (of Companies Meeting of Board and its power) Rules, 2014, Every Listed Company and the Companies which accept deposits from the public and the companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees shall establish a Vigil Mechanism in the Company. AVI-OIL INDIA [PI LTD is a Private Company and does not come under this ambit, however as a good Corporate Governance practice, a vigil mechanism policy is being voluntarily adopted by the Board of Directors of AVI-OIL.

Policy Objectives

A vigil mechanism provides a channel to the employees to report to the management, concerns about alleged wrongful conduct and actual or suspected fraud. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and also provide for direct access to the Authority nominated to play the role of Audit Committee, as provided in Rule 7, in appropriate or exceptional cases.

Scope of Policy

This Policy covers reporting by whistle blowers of malpractices and events which have taken place or suspected to have taken place in the nature of fraud or suspected fraud, misappropriation of monies or actions causing danger to public health and safety and other matters or activity on account of which the interests of the Company are prejudicially affected. The Company has in place several policies for the safe functioning of the Company, redressal mechanisms for the same have been addressed in the policies itself.

Definitions

- "Alleged wrongful conduct" shall mean misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety.
- "Nominated Authority" means the CEO of the Company to play the role of audit committee for the purpose of vigil mechanism to whom directors and employees may report their concerns.
- "Board" means the Board of Directors of the Company.
- "Company/" means AVI-OIL India Private Limited.
- "Competent Authority" means Chairman of the Company.
- "Employee" means the present permanent employees on the rolls of the Company.



Vigil Mechanism Policy

- "Protected Disclosure" means a bonafide 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 alleged wrongful conduct under the title "SCOPE OF THE POLICY" with respect to the Company. However, the Protected Disclosure should be factual and not speculative or in the nature of conjectures or surmises and should contain as much specific information 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 or evidence gathered during the course of an investigation.
- "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.

Receipt and Disposal of Protected Disclosures

- Protected Disclosure should be reported in writing by the Complainant after he/she/they become(s) aware of the same. The Protected Disclosure should either be typed or written in a legible handwriting in English or in Hindi.
- The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the vigil mechanism policy". If the complaint is not super scribed and closed as mentioned above it will not be possible for the Nominated Authority to protect the identity of the Complainant and the Protected Disclosure will be dealt with as a normal disclosure.
In order to protect the identity of the Complainant, the Nominated Authority will not issue any acknowledgment to the Complainant and the Complainants are advised neither to write the name/address of the Complainants on the envelope nor to enter into any further correspondence.
However, Nominated Authority will get in touch with the Complainant in case any further clarification is required.
- Anonymous/Pseudonymous disclosure shall not be entertained by the Nominated Authority.
- The Protected Disclosure should be forwarded under a covering letter signed by the Complainant. The Nominated Authority shall detach the covering letter bearing the identity of the Complainant and process only the Protected Disclosure.
- All Protected Disclosures should be addressed to the Nominated Authority of the Company Mr. V. K Mathew, CEO-AVI-OIL, who has been nominated by the Board of the Directors of the Company at its Meeting held on 11th December 2020.



Vigil Mechanism Policy

- On receipt of Protected Disclosure, Nominated Authority shall make a record of the Protected Disclosure and also ascertain from the Complainant whether he/she/they was/were the persons who made the Protected Disclosure before referring for investigation and needful action. The record of the Nominated Authority will include:
 - a) Brief facts;
 - b) Whether the same or similar Protected Disclosure was raised previously by any employee and if so, the outcome thereof;
 - c) The Report and Findings of the Nominated Authority;
 - d) The recommendations of the Nominated Authority/other action(s).
- The Nominated Authority, if deemed fit, may call for further information or particulars or documents or evidence from the Complainant or any other Employee which is necessary for the investigation and proper disposal of the Protected Disclosure.

Investigation

- All Protected Disclosures under this policy will be carefully and thoroughly investigated. The Nominated Authority may investigate himself or through Auditors, Advocates or other experts who are, in his opinion, competent to do so.
- The decision to conduct an investigation by the Nominated Authority or by Auditors, Advocates or experts appointed by him 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 formal investigation and have opportunities for providing their inputs during the investigation.
- Subject(s) shall have a duty to co-operate with the Nominated Authority or with the Auditors, Advocates or experts appointed by him in this regard to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.
- Subject(s) have a responsibility not to interfere with the investigation. Evidence whether oral or documentary shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the subject(s).
- The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure and the Nominated Authority may extend the said period as he deems fit and reasonable.
- Subject(s) have the right to be informed of the outcome of the investigation
- Any Protected Disclosure or complaint against the Nominated Authority will have to be addressed to the Competent Authority only.



Vigil Mechanism Policy

Decision and Reporting

- Nominated Authority after examination of the matter will record his findings and recommend to the Competent Authority appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above recommendation shall be addressed to the Complainant and the Subject,
- If the Nominated Authority is satisfied that the Protected Disclosure is false, frivolous, motivated or vexatious, the Nominated Authority may recommend appropriate disciplinary action in accordance with procedure and policies of the Company against the Whistle-blower/Complainant.
- The Nominated Authority shall recommend such other remedial action as deemed fit to remedy the Wrongful Conduct or to prevent the re-occurrence of such Wrongful Conduct.

Review of the Decision

- All employees of the Company shall abide by, obey and be bound to implement any decision taken or direction given by the Competent Authority as nominated by the Board of Directors of the Company under or pursuant to this Policy.
- Further, if Whistle Blower or Subject feels aggrieved with the action recommended by the Nominated Authority, then he or they may within 15 days of receiving the recommendation of the Nominated Authority make a representation to the Competent Authority as nominated by the Board of Directors of the Company who shall have power to review any action recommended by the Nominated Authority.

Secrecy/Confidentiality

The complainant, Nominated Authority, the Subject, Witnesses and everybody involved in the process of investigation shall:

- Maintain confidentiality of all matters under this policy.
- Disclose only to the extent or to persons involved with the investigation for completing the process of investigations and to no-one else.
- Not keep the papers relating to the investigation unattended anywhere at any time.
- Keep the electronic mails/files relating to the investigation as confidential under password.



Vigil Mechanism Policy

Protection

- 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 Blower against any unfair practice to obstruct the Whistle Blower's right to continue to perform his/ her duties/ functions including making further Protected Disclosure.
- Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower

Retention of Documents

All Protected Disclosures documented along with the record and findings of Investigation relating thereto, shall be retained by the Nominated Authority for a period of 8 years or such period as specified by and any other law in force, whichever is more. Further, in case of any ongoing litigations, the records shall be preserved till the final order or decree passed in such litigation.

Administration and Review of the Policy

- The Nominated Authority shall be responsible for the administration, interpretation, application, and review of this policy. The Nominated Authority also shall be empowered to recommend necessary changes to this Policy with the approval of the Board.
- This Policy shall be displayed on the Notice boards of the Company at the CO and Plant in order that the employees are made aware about the contents of the Policy.