

AVON ISPAT & POWER LIMITED

VIGIL MECHANISM POLICY

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A.1 Introduction

Avon Ispat & Power Limited (hereafter referred to as “AIPL” or “Company” in this document) believes in promoting a fair, transparent, ethical and professional work environment. While the AIPL code of conduct defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the standards defined in the code. The Vigil mechanism is implemented not only as a safeguard to unethical practices, but also to provide mechanism for reporting genuine concerns or grievance and ensure that deviations from the Company’s Business Conduct Manual and Values are dealt with in a fair and unbiased manner as provided in Section 177 (9) and (10) of the Companies Act, 2013 and the Companies (Meetings of Board and its Power) Rules, 2014.

A.2 Definitions

Definitions of some of the key terms used in this mechanism are given below:

- a. Protected disclosure: Any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the company.
- b. Whistleblower : An individual who makes a protected disclosure under this mechanism. This could be an Employee, Director, Vendor, Supplier, Dealer and Consultant, including Auditors and Advocates of AIPL.
- c. Audit Committee: An audit committee is an operating committee formed by the Board of Directors in accordance with Section 177 of the Companies Act 2013 and charged with oversight of financial reporting and disclosure.
- d. Board of Directors: A body of elected or appointed members who jointly oversee the activities of the company.
- e. Code of Conduct: A set of rule outlining the responsibilities of or proper practices for an individual, party or organization. In this case, it refers to AIPL’s Code of Conduct for Employees and AIPL’s Code of Conduct for Senior Management and Directors.
- f. Ethics Committee: Selected employees of the company who are authorized to receive whistleblower complaints internally or through a third party helpline.
- g. Investigators: Selected employees or third parties charged with conducting investigations to ascertain the creditability of such whistleblower complaints.
- h. Subject: means a person against whom, or in relation to whom a Protected Disclosure is made.

A.3 Guiding principles of the vigil mechanism

To ensure effective implementation of vigil mechanism, the company shall:

- a. Ensure protection of the whistleblower against victimization for the disclosures made by him/her.
- b. Ensure complete confidentiality of the whistleblower identity and the information provided by him/her.
- c. Ensure that the protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.
- d. Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- e. Ensure whistleblower would not get involved in conducting any investigative activities other than as instructed or requested by Ethics Committee or Chairman of the Audit Committee.
- f. Ensure the subject or other involved persons in relation with the protected disclosure be given an opportunity to be heard.
- g. Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.

A.4 Protection for whistleblower

- a. A whistleblower would be given the option to keep his/ her identity anonymous while reporting an incident on Reporting Channel. The company will make no attempt to discover the identity of an anonymous whistleblower. If the whistleblower's identity becomes known during the course of the investigation, AIPL will ensure that the identity of the whistleblower will be kept anonymous and confidential to the extent possible, unless required by law or in legal proceedings.
- b. A whistleblower reporting issues related to sexual harassment, child labour, discrimination, violation of human rights would necessarily need to disclose their identity to enable effective investigation.
- c. Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the whistleblower.
- d. The Audit Committee and the Ethics Committee would safeguard the whistleblower from any adverse action. This includes discrimination, victimization, retaliation, demotion or adoption of any unfair employment practices.
- e. Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a whistleblower.
- f. A whistleblower may not be granted protection under this mechanism if he/she is subject of a separate complaint or allegations related to any misconduct.

g. If a complainant believes that she or he have been treated adversely as a consequence of their use of the vigil mechanism can approach the Chairman of the Audit Committee of Avon Ispat & Power Limited in confidence. The contact information for the Chairman of the Audit Committee is provided on Appendix A to this document.

A.5 Coverage of the vigil mechanism

All employees, directors, vendors, suppliers, dealers and consultants, including auditors and advocates who are associated with AIPL can raise concerns regarding malpractices and events which may negatively impact the company.

- a. Inaccuracy in maintaining the Company's books of account and financial records
- b. Financial misappropriation and fraud
- c. Procurement fraud
- d. Conflict of interest
- e. False expense reimbursements
- f. Misuse of company assets & resources
- g. Inappropriate sharing of company sensitive information
- h. Corruption & bribery
- i. Insider trading
- j. Unfair trade practices & anti-competitive behavior
- k. Non-adherence to safety guidelines
- l. Sexual harassment
- m. Child labor
- n. Discrimination in any form
- o. Violation of human rights

All matters not covered under this mechanism can be reported directly to your one over manager or your Human Resources contact.

A.6 Reporting mechanism

The whistleblowers are expected to speak up and bring forward the concerns or complaints about issues listed under above clause A.5 “Coverage of the vigil mechanism”. The Ethics Helpline is established for this purpose and the reporting channels which can be made available to the whistleblower are covered in Appendix A.

The reporting channels are managed by an independent director. Complainants will be provided a reference number for their complaint that can be used to provide any additional information or seek feedback or updates on actions taken by the company.

The Reporting Channel will prepare the report based on the information provided by the whistleblower and will share the incident report with the Ethics Committee in next 3 business days. In case any member of the Ethics Committee is the subject of the complaint or have perceived conflict of interest, the incident report would be sent to the remaining members of the Ethics Committee.

Any member of the Ethics Committee, or any Board Committee formed to investigate any complaint who may have a perceived conflict will recuse themselves from further discussions or meetings on the subject.

Complainants may also directly report concerns to any of the Ethics Committee members as stated under this policy.

Directors may report their concerns or complaints to Audit Committee directly. In addition, under exceptional circumstances where a complainant wants to complain directly to the Chairman of the Audit Committee, he or she may do so at the email address provided on Appendix A to this document. For any complaints made to the Chairman directly, it is mandatory for the complainant to disclose their identity and provide their contact information. The Chairman of the Audit Committee may choose to discuss the matter with the complainant prior to initiating any review or investigation.

A.7 Ethics committee

- a. AIPL has established an Ethics committee for managing the vigil mechanism. The current composition of the Ethics Committee is provided in Appendix B to this document.
- b. Ethics committee would be responsible to act on the incident reports received from the Reporting Channel in unbiased manner.
- c. Ethics committee shall take necessary actions to maintain confidentiality within the organization on issues reported.
- d. Ethics committee will identify the resources who would conduct the investigation, based on the nature of the issue reported.

- e. Ethics committee would be responsible for recommending disciplinary or corrective action to the relevant board committee against the subject if investigation proves to be in favor of the allegations raised by the whistleblower.

A.8 Investigation

- a. The investigation would be carried out to determine the authenticity of the allegations and for fact-finding process.
- b. The investigation team should not consist of any member with possible involvement in the said allegation.
- c. During the course of the investigation:
 - i. Ethics Committee will be given authority to take decisions related to the investigation.
 - ii. Any required information related to the scope of the allegation would be made available to the investigators.
- d. The findings of the investigation should be submitted to the Ethics committee by the investigator with all the supporting documents.

A.9 Role of investigator

- a. A structured approach should be followed to ascertain the creditability of the charge.
- b. Ensure the confidentiality and secrecy of the issue reported and subject is maintained.
- c. Provide timely update to the Ethics Committee on the progress of the investigation.
- d. Ensure investigation is carried out in independent and unbiased manner.
- e. Document the entire approach of the investigation.
- f. Investigation Report including the approach of investigation should be submitted to the Ethics Committee with all the documents in support of the observations.

A.10 Maintaining secrecy and confidentiality

AIPL expects individuals involved in the review or investigation to maintain complete confidentiality. Disciplinary action may be initiated against anyone found not complying with the below:

- a. Maintain complete confidentiality and secrecy of the matter.

- b. The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c. The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.
- d. Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e. Ensure secrecy of the whistleblower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.

A.11 Disqualifications

- a. Issues other than those listed under Section IV “Coverage of the vigil mechanism”.
- b. The complainant is not able to provide specific information that covers at least some of the following points:
 - a. Location of incident
 - b. Timing of incident
 - c. Personnel involved
 - d. Specific evidence
 - e. Frequency of issues
- c. In case the complainant is unable to provide adequate information, the Ethics Committee reserves the right to not investigate the reported matter.

A.12 Management decision

- a. Relevant board committee will take disciplinary or corrective action against the Subject as per the Company’s disciplinary procedures and can also take legal action, if required.
- b. The decision of relevant board committee should be considered as final and no challenge against the decision would be entertained, unless additional information becomes available.
- c. In case of frivolous or false complaints, action may be taken against the complainant.

A.13 Right to amendment

The Company holds the right to amend or modify the policy. Any amendment or modification of the policy would be done by an appropriate authority as mandated in law. The updated Vigil mechanism would be shared with the employees, suppliers and vendors thereafter.

B Appendix A: Reporting channels

Sl. No.	Reporting Channel	Contact Information	Availability
1	Phone	09878999991	24 hours a day
2	Email	arungoyal@@gmail.com	24 hours a day
3	Fax	0161-2511489	24 hours a day
4	Web	www.avonispac.com	24 hours a day

The Chairman of the Audit Committee can be reached at arungoyalca@gmail.com

C Appendix B: The Ethics Committee

The current Ethics Committee of Avon Ispat & Power Limited described in the Ethics committee Company's section of the Vigil mechanism would be as follows:

The incident reports will be shared with:

1. Shri Arun Goyal, Independent Director and the Chairman of Audit Committee
2. Shri Indermohan Singh Sood , Independent Director and a member of Audit Committee
3. Shri P.Y. Rajput (Executive Director)
4. Executive Secretary to the MD