



PAHARPUR COOLING TOWERS LIMITED

Paharpur House, 8/1/B, Diamond Harbour Road, Kolkata - 700 027, INDIA
Ph: +91-33-40133000 • Fax: +91-33-40133499 • pctccu@paharpur.com • www.paharpur.com
CIN: U02005WB1949PLC018363

VIGIL MECHANISM POLICY

I. STATUTORY MANDATE

In accordance with section 177 of the Companies Act, 2013, read with the Rules (hereinafter referred to as “the said Act”), every listed company and the companies which accept deposits from the public and which have borrowed money from banks and public financial institutions in excess of fifty crore rupees shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances. The companies which are required to constitute an audit committee shall oversee the vigil mechanism through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

II. APPLICABILITY

The section 177 of the Act applies to the Company. As the Company is required to constitute Audit Committee, it will oversee vigil mechanism which has been laid down hereafter. The Company and its subsidiaries (collectively the ‘Company’) has adopted the Code of Conduct, 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. 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. Accordingly, this Vigil Mechanism Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to raise concerns on any



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violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

III. POLICY

The Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

IV. DEFINITIONS

- “Disciplinary Action” means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- “Employee” means every employee of the Company (whether working in India or abroad)
- “Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- “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 under this Policy.



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- “Vigil Mechanism” is someone who makes a Protected Disclosure under this Policy.

- “Vigil Mechanism Officer” or “Vigil Mechanism Committee” means an officer or Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosure received from the stakeholder and recommend disciplinary action. Currently, the Managing Director and Head HR are nominated as Vigil Mechanism Officer.

- “Company” means, “Paharpur Cooling Towers Ltd” and its subsidiaries (collectively the “Company”)

- “Good Faith”: An employee shall be deemed to be communicating in “good faith” if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

- “Policy or This Policy” means, “Vigil Mechanism Policy.”

V. SCOPE

Following stakeholders of the Company are eligible to make Protected Disclosures under the Policy:

- Employees of the Company



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- Employees of other agencies deployed for the Company"s activities, whether working from any of the Company"s offices or any other location
- Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company
- Customers of the Company
- Any other person having an association with the Company

A person belonging to any of the above mentioned categories can avail of the channel provided by this Policy for raising an issue covered under this Policy.

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
6. Any unlawful act whether Criminal/ Civil
7. Pilferation of confidential/propriety information
8. Deliberate violation of law/regulation
9. Wastage/misappropriation of company funds/assets
10. Breach of Company Policy or failure to implement or comply with any approved Company Policy



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11. Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

VI. GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- Ensure that the person providing and processing the Protected Disclosure are not victimized for doing so
- Treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimization
- Ensure complete confidentiality
- Not attempt to conceal evidence of the Protected Disclosure
- Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made
- Provide an opportunity of being heard to the persons involved especially to the Subject

VII. ANONYMOUS ALLEGATION

- Stakeholder must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.

VIII. PROTECTION TO STAKEHOLDER MAKING DISCLOSURE

- If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. The protection is available provided that:



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- a. The communication/ disclosure is made in good faith
 - b. He/She reasonably believes that information, and any allegations contained in it, are substantially true; and
 - c. He/She is not acting for personal gain
- Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action.
 - The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and disciplinary action taken against any person for misconduct arising from retaliation.

IX. ACCOUNTABILITIES

- Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- Avoid anonymity when raising a concern
- Follow the procedures prescribed in this policy for making a Disclosure
- Co-operate with investigating authorities, maintaining full confidentiality
- Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed

X. ACCOUNTABILITIES – VIGIL MECHANISM OFFICER AND VIGIL MECHANISM COMMITTEE

- Conduct the enquiry in a fair, unbiased manner



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- Ensure complete fact-finding
- Maintain strict confidentiality
- Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- Record Committee deliberations and document the final report

XI. RIGHTS OF A SUBJECT

- Subjects have the right to be heard and the Vigil Mechanism Officer or the Committee must give adequate time and opportunity for the subject to communicate his/her say on the matter
- Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process

XII. MANAGEMENT ACTION ON FALSE DISCLOSURES

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures.

XIII. PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

- For more details, refer to the procedure for reporting & dealing with disclosures are given in Annexure A.
- For more details, refer to the representation of the process flow given in Annexure B



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XIV. ACCESS TO REPORTS AND DOCUMENTS

All reports and records associated with “Disclosures” are considered confidential information and access will be restricted to the Person Disclosing, the Vigil Mechanism Officer and committee. “Disclosures” and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

XV. RETENTION OF DOCUMENTS

- All Protected documents, disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 8 years.

XVI. REPORTS

- A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Vigil Mechanism Officer & Committee and the corrective actions taken will be sent to the MD of the Company.

XVII. COMPANY’S POWERS

- The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures, from time to time, to give effect to the



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intent of this policy and further the objective of good corporate governance.

Annexure A

PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

1. How should a Disclosure be made and to whom?

A Disclosure should be made in writing. Letters can be submitted by hand-delivery, courier or by post addressed to the Vigil Mechanism Officer appointed by the Company. Emails can also be sent. Whilst, a disclosure should normally be submitted to the Officer, it may also be submitted directly to the MDs who are in charge of running the operations of the Company when the Whistleblower feels it necessary under the circumstances Disclosures against any employee in Strategic Job Responsibility Band or the Business Unit Heads or the Executive Directors should be sent directly to the MD of the Company.

2. Is there any specific format for submitting the Disclosure?

While there is no specific format for submitting a Disclosure, the following details MUST be mentioned:

(a) Name, address and contact details of the Person disclosing (including Salary Code, if the said person is an employee).

(b) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important.



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(c) In case of letters, the disclosure should be sealed in an envelope marked “Vigil” and addressed to the Vigil Mechanism Officer or MD, depending on position of the person against whom disclosure is made.

3. What will happen after the Disclosure is submitted?

(a) The Vigil Mechanism Officer shall acknowledge receipt of the Disclosure as soon as practical (preferably within 7 days of receipt of a Disclosure), where the Whistleblower has provided his/her contact details.

(b) The Vigil Mechanism Officer will proceed to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure constitute a Malpractice by discussing with the Managing Director of the Company (if required). If the Vigil Mechanism Officer determines that the allegations do not constitute a Malpractice, he/she will record this finding with reasons and communicate the same to the person disclosing.

(c) If the Vigil Mechanism Officer determines that the allegations constitute a Malpractice, he/she will proceed to investigate the Disclosure with the assistance of the Vigil Mechanism Committee comprising of Senior Level Officers of Personnel & Admin, Internal Audit and a representative of the Division/ Department where the breach has occurred, as he/she deems necessary. If the alleged Malpractice is required by law to be dealt with under any other mechanism, the Vigil Mechanism Officer shall refer the Disclosure to the appropriate authority under such mandated mechanism and seek a report on the findings from such authority.



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(d) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

(e) The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Vigil Mechanism Officer or Vigil Mechanism Committee for the purpose of such investigation shall do so. Individuals with whom the Vigil Mechanism Officer or Vigil Mechanism Committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.

(f) If the Malpractice constitutes a criminal offence, the Vigil Mechanism Officer will bring it to the notice of the MD and take appropriate action including reporting the matter to the police.

(g) The MD of the Company may, at his/her discretion, participate in the investigations of any Disclosure.

(h) The Vigil Mechanism Committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Vigil Mechanism Officer as soon as practically possible and in any case, not later than 90 days from the date of receipt of the Disclosure. The Vigil Mechanism Officer may allow additional time for submission of the report based on the circumstances of the case.

(i) Whilst it may be difficult for the Vigil Mechanism Officer to keep the person disclosing regularly updated on the progress of the investigations, he/she will



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keep the person disclosing informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.

(j) The Vigil Mechanism Officer will ensure action on the recommendations of the Vigil Mechanism Committee/ Officer and keep the person disclosing informed of the same. Though no timeframe is being specified for such action, the Company will endeavor to act as quickly as possible in cases of proved Malpractice.

4. What should I do if I face any retaliatory action or threats of retaliatory action as a result of making a Disclosure?

If you face any retaliatory action or threats of retaliatory action as a result of making a Disclosure, please inform the Vigil Mechanism Officer in writing immediately. He/She will take cognizance of each and every such complaint/feedback received and investigate the same accordingly and may also recommend appropriate steps to protect you from exposure to such retaliatory action and ensure implementation of such steps for your protection.

Annexure B

PROCESS FLOW COMMUNICATION OF RESULT

1. Person raises a concern/disclosure to the vigil Mechanism Officer/MD by sending an email ID at complaint@paharpur.com
2. Vigil Mechanism Officer acknowledges receipt to Disclosure within 7days of receipt.
3. Managing Director and Head - Personnel & Admin) examines the allegations



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4. If allegations constitute a Malpractice then Vigil Mechanism Officer appoints a Vigil Mechanism Committee for further investigation.
5. Vigil Mechanism Committee conducts a detailed investigation with the Subject and other individuals
6. Vigil Mechanism Committee submits its Report to the Whistle Officer, preferably within 90 days of receipt of concern/disclosure
7. Vigil Mechanism Officer takes decision on Action to be taken
8. If required, the disclosure may be sent to the Managing Director
9. If allegations do not constitute a Malpractice, the concern will be dismissed and communication will be sent to the person disclosing.
10. Process Ends
11. Person Disclosing may appeal to the Managing Director, if not satisfied with the outcome of the investigation.
12. Managing Director may ignore or act on the appeal (Review/ order a fresh investigation team which may send him the report directly)
13. Disciplinary Action is taken against the Subject including preventive measures

REVISION HISTORY

VERSION	DATED	BY	COMMENTS
01/2015	11/7/2015	Hirak Ghosh	Original
01/2021	06/07/2021	Shilpishree CHoudhary	Amended