

PERMANENT MAGNETS LTD
VIGIL MECHANISM AND WHISTLE BLOWER POLICY

1. PREFACE

Permanent Magnets Limited (“the Company”) is committed to maintain the highest standard of honesty, openness and accountability and recognize that each and every person in the Company has an important role to play in achieving the organizational goals. It is the policy of the Company to encourage employees, when they have reason to suspect questionable accounting/audit practices or the reporting of fraudulent financial information to shareholders, the Government or the financial markets, and/or serious misconduct otherwise, to report the concerns to the Company’s Management. Towards this end, the Company has adopted a Code of Business Conduct and Ethics (“the Code”), which lays down the principles and standards that govern the actions of the Company and its employees. Employees are required to report actual or suspected violations of applicable laws and regulations and the Code.

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with rule 7 of Companies (Meetings of Board and Its Powers) Rules 2014, and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, every listed company is required to establish a Vigil Mechanism and Whistle Blower Policy for the directors and employees to report genuine concerns about unethical behavior, actual or suspected, fraud or violation of the Code. This Vigil Mechanism and Whistle Blower Policy (**the “Policy”**) has been formulated to provide a mechanism for directors and employees of the Company for such reporting.

2. DEFINITIONS

In this Policy, the following terms shall have the following meanings:

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act 2013, and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

“**Board**” means the Board of Directors of the Company.

“**Code**” means Code of Business Conduct and Ethics.

“**Director**” means every director of the Company.

“**Employee**” means every employee of the Company.

“**Investigators**” mean those persons authorized, appointed, consulted or approached by the Vigilance Officer and the Chairman of the Audit Committee and includes the auditors of the Company and the police.

“**Protected Disclosure**” means any communication made in good faith that discloses or demonstrates information about an unethical or improper activity in accordance with this Policy.

“Reportable Matter” means a genuine concern for actual or suspected:

- i. Breach of the Company’s Code of Business Conduct and Ethics
- ii. Breach of terms and conditions of employment and rules thereof
- iii. Misuse or abuse of authority
- iv. Intentional Financial irregularities, including fraud, or suspected fraud
- v. Fraudulent practices, such as tampering with Company’s books and records or property or assets
- vi. Indulging in corruption, including bribery and money laundering
- vii. Other illegal activities

It may be noted that complaints concerning personal grievances, such as professional development issues or Employee compensation, are not re-portable matters for the purpose of this Policy.

“Subject” means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

“Whistle Blower” means an Employee or Director making a Protected Disclosure under this Policy.

“Vigilance Officer” means the officer of the Company nominated / appointed by the Audit Committee.

3. RESPONSIBILITY TO REPORT

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosure should be made promptly when the Employee or Director becomes aware of a Reportable Matter. The role of a Whistle Blower is limited to making a Protected Disclosure. A Whistle Blower is not required or expected to act as Investigators or finders of facts, nor to determine the appropriate corrective or remedial action in connection with the Reportable Matter that is the subject matter of a Protected Disclosure.

4. REPORTING MECHANISM

- a) All Protected Disclosures concerning financial /accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation :
 - by letter to the Chairman of the Audit Committee, marked “Private and Confidential”, at the following address:

Mr. Rajeev Mundra

Permanent Magnets Ltd.

B/3, MIDC, Village Mira, Mira Road East, Thane 401104

OR

- by email to – rachana.rane@pml.in
- b) Other Protected Disclosures may be addressed to the Chairman of the Audit Committee of the Company as given in (a) above or to the Vigilance Officer as given below :
- By email to rachana.rane@pml.in
 - By telephone to 022 - 29452122
 - By letter addressed to the Vigilance Officer, marked “Private and Confidential”, at the following address:

Ms. Rachana Rane

Vigilance Officer

Permanent Magnets Ltd.

B/3, MIDC, Village Mira, Mira Road (East), Thane - 401104

- c) Protected Disclosures should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribe as “**Protected disclosure under the Whistle Blower policy**” or sent through email with the subject “**Protected disclosure under the Whistle Blower policy**”. If the complaint is not super scribe and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.
- d) If a Protected Disclosure is received by any executive of the Company other than the Vigilance Officer, the same should be forwarded to the Vigilance Officer or the Chairman of the Audit Committee, for appropriate action.
- e) The Protected Disclosure should be reported in writing and should include as much information as possible concerning the Reportable Matter, providing at least the following information :
- i) Nature of the Reportable Matter;
 - ii) Names of the Employees to which the Reportable Matter relates;
 - iii) Relevant factual background concerning the Reportable Matter;
- f) Basis for the Protected Disclosure along with copies of pertinent documents, if any.
- g) Protected 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 concern and investigation.

5. RECEIPT, RECORDING AND REVIEW OF PROTECTED DISCLOSURES

Protected Disclosure addressed to and received by the Chairman of the Audit Committee, shall be forwarded to the Vigilance Officer. In exceptional cases, the Protected Disclosure shall be recorded and reviewed by the Audit Committee directly.

On receipt of the protected disclosure the Vigilance Officer shall within five business days record the Protected Disclosure in the Whistle Blower Register, and assign an unique identifying number for the Protected Disclosure.

The record will include:

- i. Name and contact details of the Whistle Blower, if provided;
- ii. The particulars of the complaint;
- iii. Whether similar Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- iv. Details of actions taken by Vigilance Officer / Chairman of the Audit Committee for processing the complaint;
- v. Findings of the Audit Committee in the previous instance;
- vi. The recommendations of the Audit Committee/ other action(s)

The initial review of the Protected Disclosure shall be made within five business days of recording of the Protected Disclosure.

6. INVESTIGATION

All Protected Disclosures reported under this Policy will be taken seriously and will be promptly investigated by the Vigilance Officer / Chairman of the Audit Committee under the authority of the Audit Committee.

Rights and Obligations of the Subject:

- The identity of the Subject will be kept confidential to the extent possible during the investigation.
- Subject will be informed of the allegation at the outset of the formal investigation and will have reasonable opportunities to provide inputs during the investigation.
- Subject shall co-operate with the Vigilance Officer / Chairman of the Audit Committee during the investigation.
- Subject shall have the right to consult with any person of his / her choice, other than the Vigilance Officer / Chairman or any member of the Audit Committee.
- Subject may engage counsel at his / her cost to represent him / her during the investigation.
- Subject shall not interfere or impede the investigation process.
- Subject shall have right to access any document / information for their legitimate need to clarify / defend themselves in the investigation proceedings.
- Subject shall not withhold, tamper with or destroy any evidence.
- Subject shall not influence, coach, threaten or intimidate any witnesses.
- Subject shall be informed of the outcome of the investigation.

Vigilance Officer/Chairman of Audit Committee/ Investigators may seek technical and other professional assistance may be sought if required. Investigators shall have a duty of fairness, objectivity and shall deal in an unbiased manner. The Investigators shall conduct ethically and observe legal and professional standards.

All investigations should be completed within 60 days of the receipt of the Protected Disclosure. In exceptional cases, the Audit Committee may permit investigations beyond 60 days.

7. CONFLICT OF INTEREST

Where a Protected Disclosure concerns the Vigilance Officer or any member of the Audit Committee or such person has a conflict of interest in any given case, then the Vigilance Officer or such member of the Audit Committee shall not be involved in the investigation of that Protected Disclosure.

8. PROTECTION OF WHISTLE BLOWER

The name and identity of the Whistle Blower and that a Protected Disclosure has been made shall be kept confidential, except as required by any law and to the extent possible while allowing the investigation to proceed.

A Whistle Blower shall not be subject to unfair treatment, discrimination, intimidation, retaliation, victimization or harassment of any kind because of the Protected Disclosure. Employees who engage in any such practices against a Whistle Blower, in violation of this Policy will be subject to disciplinary action, which may include dismissal.

A Whistle Blower shall not be obstructed from performing his / her duties / functions including making further Protected Disclosure. A Whistle Blower may report any violation of the above to the Chairman of the Audit Committee, who shall investigate the same and recommend suitable corrective action to the management.

Any Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

If a Whistle Blower is found to have made a deliberately false or malicious Protected Disclosure that Whistle Blower may be subject to such disciplinary action as may be recommended by the Audit Committee, including dismissal from the employment of the Company.

In case of repeated frivolous Protected Disclosure filed by a Whistle Blower, the Audit Committee or the Chairman of the Audit Committee may take suitable action against the Whistle Blower including reprimand.

9. DECISION AND REPORTING

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 to take such disciplinary or corrective action as it may deem fit. Any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to, the applicable conduct and disciplinary procedures.

10. CONFIDENTIALITY

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process of investigation 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 investigation and keep the papers in safe custody.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have the right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

12. RETENTION OF DOCUMENTS

All Protected disclosures in writing or documented along with the results of investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

13. ADMINISTRATION AND REVIEW OF THE POLICY

The Audit Committee shall be responsible for supervising the development, review and implementation of this Policy. The Vigilance Officer shall submit to the Audit Committee a quarterly report of the number of complaints received under this Policy and their outcome.

14. QUERIES

An Employee or Director having any questions concerning this Policy or the Code may address the same to the Vigilance Officer at the contact details given below:

Ms. Rachana Rane

Permanent Magnets Ltd.

B/3, MIDC, Village Mira, Mira Road (East), Thane - 401104

rachana.rane@pml.in