

WHISTLE BLOWER & ANTI-FRAUD POLICY

1. INTRODUCTION:

Penta Gold Limited (“Company”) is committed to adhere to the highest possible standards of ethical practices, moral and legal conduct of business operations and to maintain these standards, the Company encourages its Directors and employees to come forward and freely communicate their concerns about illegal or unethical practices/ behavior, actual or suspected, fraud or violation of company’s code of conduct or ethic policy to the appropriate authority so that timely and speedy investigations can be undertaken and corrective action could be taken if warranted.

Accordingly, this Whistle Blower and Anti-Fraud Policy (“the Policy”) has been formulated with the following objectives –

- To provide a mechanism for Directors and employees of the Company to report unethical, unlawful or improper practices, acts or activities in the Company.
- To provide assurances that any and all such improper or unethical activity reported will be fully investigated.
- To ensure that the Whistle Blowers are protected against victimization/ any adverse action and/ or discrimination as a result of such a reporting.

2. DEFINITIONS:

- a. “Audit Committee” means a Committee constituted by the Board of Directors of the Company in accordance with applicable provisions of law and any amendments thereon, from time to time.
- b. “Employee” means every employee of the Company, including the Directors in employment of the Company.
- c. “Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence improper or unethical activity.
- d. “Improper or Unethical Activity” means to include:
 - i. Abuse of authority
 - ii. Breach of contract
 - iii. Negligence causing substantial and specific danger to public health and safety

- iv. Manipulation of company data/records
 - v. Financial irregularities, including fraud or suspected fraud or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
 - vi. Any unlawful act whether Criminal/ Civil
 - vii. Pilferation of confidential/propriety information
 - viii. Deliberate violation of law/regulation
 - ix. Wastage/misappropriation of company funds/assets
 - x. Breach of Company Policy or failure to implement or comply with any approved Company Policy, code of conduct, ethic policy etc.
 - xi. Unethical behavior.
- e. "Investigators" means those persons, including any Internal Committee, third party service providers, authorized, appointed, consulted or approached by the Audit Committee from time to time to conduct a detailed investigation of the protected disclosure received from the Whistle Blower and recommend disciplinary/ corrective action.

In case an „Internal Committee“ is constituted for investigation by the Audit Committee, then such Committee shall be headed by an Independent Director with representation from Senior Management Personnel of the Company.

- f. "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.
- g. "Whistle Blower" means a person making a Protected Disclosure under this Policy.

3. APPLICABILITY:

This Policy is for:

- a. The Directors and employees to make Protected Disclosures in relation to matters concerning the Company.
- b. Whistle Blowers role 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.
- c. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by Audit Committee or the Investigators.
- d. Protected Disclosure will be appropriately dealt with the Audit Committee.

4. PROCEDURES:

- a. All Protected Disclosures should be reported in writing by the Whistle Blower as soon as possible, but not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English or Hindi.
- b. All protected disclosure should be addressed to the Chairperson of the Audit Committee of the Company at whistleblower@iexindia.com or hard copy of the same should be sent at the below mentioned address:-

To,
The Chairperson of Audit Committee
Penta Gold Limited
First Floor, 30 Champa Gully,
Zavri Bazar, Mumbai-02

- c. The Protected Disclosure should be submitted under a covering letter signed by the Whistle Blower and bearing his identification in a closed and secured envelop and should be super scribed as "Protected disclosure under the Whistle Blower & Anti-Fraud Policy" or sent through e-mail with subject "Protected disclosure under the Whistle Blower & Anti-Fraud Policy". If the compliant is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.
- d. The Chairperson of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Audit Committee for a prima facie view and further investigations, if required. The identity of the Whistle Blower shall be restricted to chairperson of the Audit Committee.
- e. Anonymous disclosures will be investigated only in exceptional cases at the discretion of the Audit committee based on the prima facie of the substance.
- f. 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 nature and extent of the concern and the urgency of a preliminary investigative procedure.
- g. The Whistle Blower must disclose his/ her identity in the covering letter forwarding such Protected Disclosure (and not in the Protected Disclosure itself).

5. INVESTIGATION:

- a. All Protected Disclosure reported under this Policy will be thoroughly investigated by the Investigator, as directed by Audit Committee, who will investigate/ oversee the investigations under the authorization of the Audit Committee.
- b. The detailed procedures for an investigation shall be outlined by the Audit Committee considering the nature and gravity of the complaint. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- c. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. Investigation will be launched only after a preliminary review which establishes that:
 - The alleged act constitutes an improper or unethical activity; and
 - Either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken of an improper or unethical activity.
- e. The Investigators shall have right to call for any information/ document and examination of any employee of the company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy.
- f. Investigators shall prepare a report after completion of investigation and action to be taken thereof shall be presented to the Audit Committee and the Audit Committee shall consider the same.
- g. If and when the Audit Committee is satisfied that the alleged wrongful act existed or is in existence, then the Audit Committee may –
 - Recommend to Management to reprimand, take disciplinary action, impose penalty/punishment, order recovery when any alleged unethical & improper practices or wrongful conduct of any employee is proved.
 - Recommend termination or suspension of any contract or arrangement or transaction vitiated by such wrongful act.

- h. However, after due investigation, if the Subject is found to be innocent/ not guilty, the same may be promptly communicated to the Subject.
- i. The Audit Committee shall ensure that the Whistle Blower is fully protected in terms of his identity and any retaliatory action against him. Any person, who may be found to be taking such retaliatory action against the whistle blower, will be subject to the strictest disciplinary action including termination, or for civil/ criminal or administrative penalties.
- j. The decision of Audit Committee shall be final and binding.

6. CONFIDENTIALITY:

The Whistle Blower, Members of Audit Committee, Investigators, Subject and all other concerned involved in the process 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.

7. COMMUNICATION:

Directors and employees shall be informed of the Policy by publishing on the website of the Company.

8. 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 minimum period of three years.

9. REPORTING:

A quarterly report on the number of complaints received, if any, under the Policy and their outcome shall be placed before the Audit Committee.

10. AMENDMENT:

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is not communicated in the manner described above.

11. DISCLOSURE AND ANNUAL AFFIRMATION:

- a. The details of establishment of this Policy would be disclosed on the Company's website and also in the Board's Report.
- b. The Company shall also annually affirm that it has not denied any personal access to the Audit Committee and that it has provided adequate safeguards and protection to Whistle Blower from adverse personnel action. The aforesaid affirmation shall form part of Board's report as attached to the Annual Report of the Company.