

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

### **1. BACKGROUND**

- 1.1. Section 177(9) of the Companies Act, 2013, requires every listed company or such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- 1.2. Rule-7 of the Companies (Board Meeting and its Powers) Rules, 2014, provides that every listed company and the companies belonging to the following class or classes shall establish a vigil mechanism for their directors and employees to report genuine concern and grievances:
  - i. Companies which accept deposits from the public; and
  - ii. Companies which have borrowed money from banks and public financial institutions in excess of Rs. 50 crores.
- 1.3. Uttar Gujarat Vij Company Limited (UGVCL) since covered under the above criteria and being a responsible Public Sector Undertaking under the Government of Gujarat, has decided to establish a vigil mechanism and a whistle blower policy.

### **2. POLICY OBJECTIVES**

- 2.1. A Whistle Blower (Vigil) mechanism provides a frame work and channel to the employees and Directors of the Company to report to the management concerns about unethical behavior, actual or suspected fraud. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- 2.2. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general or for taking up a grievance about a personal situation.

### 3. **SCOPE OF THE POLICY.**

3.1. The Policy covers, without limitations, the following:

- a) Misuse or abuse of authority;
- b) Fraud or suspected fraud;
- c) Pilferation of confidential/propriety information;
- d) Misappropriation of company funds/assets;
- e) Willful negligence causing danger to public health and safety; and
- f) Any other unethical, biased, favoured, imprudent activity on account of which the interest of the Company is affected.

3.2. Through this Policy, the Company seeks to provide a procedure for all the employees of the Company to disclose any unethical and improper practice taking place in the Company for appropriate action and reporting.

3.3. The Policy does not cover the following:

- a) Frivolous, anonymous and bogus complaints;
- b) Business and financial decisions taken by the Company that do not involve wrong doing or illegality;
- c) Any matter already addressed pursuant to disciplinary or other procedures of the Company;
- d) Career or employment related;
- e) Other personal grievances.

### 4. **ELIGIBILITY:**

All permanent/regular Employees of the Company and Directors are eligible to make Protected Disclosure(s) under the Policy in relation to matters concerning the Company.

Employees on deputation to the Company are also eligible to make Protected Disclosure(s) under the Policy in relation to matters concerning the Company.

### 5. **DEFINITIONS:**

5.1. “Audit Committee” means a Committee constituted/reconstituted by the Board of Directors in accordance with the provisions of the Companies Act, 1956 and the Companies Act, 2013.

5.2. “Board” means the Board of Directors of the Company as in force.

# Vigil Mechanism

(Whistle Blower Policy)

UTTAR GUJARAT VIJ COMPANY LIMITED

CIN – U40102GJ2003SGC042906

Regd. & Corporate Office:

Visnagar Road, MEHSANA – 384001 (North Gujarat)

- 5.3. “Company” means the Uttar Gujarat Vij Company Limited (UGVCL).
- 5.4. “Employee” means all the present permanent employees of the Company.
- 5.5. “Director” means a Director appointed to the Board of a Company as in force.
- 5.6. “Nodal Officer” means an officer designated as Chief Vigilance Officer of the Company and he will receive protected disclosures from whistle blowers, maintain records thereof, place the same before the Audit Committee for its disposal and inform the whistle blower the result thereof.
- 5.7. “Protected Disclosure” means a concern raised by an employee or group of employees of the Company or a Director of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow proper assessment of the nature and extent of the concern.
- 5.8. “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.
- 5.9. “Whistle Blower” is an employee or group of employees or Directors who make a Protected Disclosure under this Policy and also referred in this Policy as complainant.

## **6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES:**

- 6.1. Protected Disclosures should be reported in writing by the complainant as soon as possible after the whistle blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi or in Gujarati duly signed with his name and designation and concerned office/department where he is working.
- 6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be superscribed as “Protected Disclosure under the Whistle Blower Policy”. If the complaint is not superscribed and closed as mentioned above, it will not be possible

for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the nodal officer will not issue any acknowledgement to the complainant and the complainant(s) is/are advised neither to write the name/address of the complainant on the envelope nor to enter into any further correspondence with the Nodal Officer/Audit Committee. The Audit Committee assures that in case any further clarification is required, the Nodal Officer will get in touch with the complainant.

- 6.3. Anonymous/Pseudonymous disclosure shall not be entertained by the Nodal Officer.
- 6.4. The Protected Disclosure(s) against employees on deputation to the Company would be enquired into by the Company and the Enquiry Report should be forwarded to the Competent Authority of his/her parent company for further action. However, the Protected Disclosure(s) against All India Service Officers on deputation to the Company would not be enquired into by the Audit Committee. The credible complaints, if any, received against All India Service Officers on deputation, should be forwarded to the Competent Authority of his/her parent Department for further action.
- 6.5. The Protected Disclosure should be forwarded under a covering letter signed by the complainant with name, designation and name of the concerned office where he is working. The Nodal Officer/ Managing Director or Chairman of Audit Committee, as the case may be, shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.
- 6.6. All Protected Disclosures should be addressed to the Nodal Officer of the Company. The contact detail of the Nodal Officer is as under:-

Address of Nodal Officer -

Chief Vigilance Officer,  
Uttar Gujarat Vij Company Limited,  
Registered & Corporate Office,  
Visnagar Road,  
Mehsana - 384001

- 6.7. Protected Disclosure against the Nodal Officer should be addressed to the Managing Director (MD) of the Company and the Protected Disclosure against the MD of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the MD and the Chairman of the Audit Committee are as under:

Address of MD -

Managing Director,  
Uttar Gujarat Vij Company Limited,  
Registered & Corporate Office,  
Visnagar Road,  
Mehsana - 384001

Address of Chairman of the Audit Committee -

Chairman of the Audit Committee,  
C/o Company Secretary,  
Uttar Gujarat Vij Company Limited,  
Registered & Corporate Office,  
Visnagar Road,  
Mehsana - 384001

6.8. On receipt of the protected disclosure, the Nodal Officer / MD or Chairman of the Audit Committee shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of actions taken by Nodal Officer/ MD for processing the complaint;
- e) Findings of the Audit Committee;
- f) The recommendations of the Audit Committee / other action(s).

6.9. The Audit Committee, if it deems fit, may call for further information or particulars from the complainant.

## **7. INVESTIGATION**

7.1. For all Protected Disclosures under this Policy against employees, the Nodal Officer, and for all Protected Disclosures under this Policy against Directors, the MD shall be the Competent Authority and for all Protected Disclosures under this Policy against MD, the Chairman

of the Audit Committee shall be the Competent Authority, to decide whether allegations/protected disclosures are credible or frivolous. No inquiry shall be ordered without preliminary scrutiny.

- 7.2. Wherever an inquiry is deemed necessary, at the first instance before ordering the inquiry, a gist of allegations should be communicated to the concerned employee/Director for obtaining his/her remarks and they should be considered before commencing an inquiry. If remarks are satisfactory, the matter should be closed.
- 7.3. All Protected Disclosures under this Policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/or an outside agency for the purpose of investigation.
- 7.4. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.5. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 7.6. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 7.7. Subject(s) shall have a right to consult with a person or persons of their choice, other than the Vigilance Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- 7.8. Subject(s) shall have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- 7.9. Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.10. Subject(s) will have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

- 7.11. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.
- 7.12. Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

## **8. DECISION AND REPORTING:**

- 8.1. Audit Committee along with its recommendations will report its findings to the Managing Director through the nodal officer within 15 days of receipt of report for further action as deemed fit. In case prima facie case exists against the subject, then the Managing Director shall forward the said report with his recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.
- 8.2. In case the subject is a nodal officer of the Company, the Protected Disclosure shall be addressed to the Managing Director who, after examining the protected disclosure shall forward the matter to the Audit Committee. The Audit Committee after providing an opportunity to the Subject to explain his position and after completion of investigation shall submit a report along with its recommendation to the MD. After considering the report and recommendation as aforesaid, MD shall forward the said report with his recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of the above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.
- 8.3. In case the Subject is the MD of the Company, the protected disclosure shall be addressed to the Chairman of the Audit Committee who after examining the Protected Disclosure shall forward the Protected Disclosure to other members of the Audit Committee, if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.



## 9. PROTECTION:

- 9.1. It is hereby declared that 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 Blower(s).
- 9.2. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties which the Whistle Blower may experience as a result of making the Protected Disclosure.
- 9.3. Identity of the Whistle Blower shall be kept confidential.
- 9.4. Any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the whistle Blowers.
- 9.5. No protection shall be granted to those who are in the habit of making false allegations and they shall be black-listed after three such incidents.

However, this Policy does not protect an employee from an adverse action which occur independent of this disclosure of unethical and improper practice or alleged wrongful conduct or poor job performance, any other disciplinary action etc. unrelated to a disclosure made pursuant to this Policy.

## 10. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE:

The Whistle Blower shall have 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.

## 11. DISQUALIFICATIONS:

- 11.1. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.



11.2. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower.

11.3. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious shall be liable for appropriate disciplinary action in accordance with rules and policy of the Company.

## **12. SECRECY / CONFIDENTIALITY:**

The complainant, Nodal Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

12.1. Maintain confidentiality of all matters under this Policy.

12.2. Discuss only to the extent or with those persons as required under this Policy for completing the process of investigations.

12.3. Not keep the papers unattended anywhere at any time

12.4. Keep the electronic mails / files under password.

## **13. RETENTION OF DOCUMENTS:**

All Protected Disclosures documented along with the results of investigation relating thereto, shall be retained by the Nodal Officer for a period of 2 (Two) years or such other period as specified by any other law in force, whichever is more.

## **14. NOTIFICATION:**

All departmental heads are required to notify and communicate the existence and contents of this Policy to the employees of their department. The new employees shall be informed about the Policy by the HR/Personnel Department.

This Policy as amended from time to time shall be made available at the Website of the Company.

**15. ADMINISTRATION AND REVIEW OF THE POLICY:**

The Managing Director shall be responsible for the administration, interpretation, application and review of this Policy. The Managing Director shall also be empowered to bring about necessary changes to this Policy, if required, at any stage in consultation with the Audit Committee.

**16. 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 Employees and Directors unless the same is notified to them in writing.

This policy is adopted by the Board of Directors in its meeting held on 13-Mar-2015, with immediate effect.

For Uttar Gujarat Vij Company Limited

Managing Director