

# WHISTLE BLOWER POLICY



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# WhISTLE BLOWER POLICy

## 1) BACKGROUND

SJVN is committed to fostering a culture of Professionalism, Honesty, Openness, Integrity and Ethical Behaviour. The Company has moved in this direction by signing an Integrity Pact with Transparency International India. To further strengthen & reinforce our commitment to transparency and Ethical Practices, SJVN in another move forward gives the reins of ethical governance in the hands of every employee by means of this Whistle Blower Policy. This policy empowers them to be a legitimate watchdog in the interest of organisation and the public at large.

SJVN has become a listed company after its IPO in 2010. Clause 49 of the listing agreement which deals with corporate governance provides for the practices to be followed by listed companies and also prescribes certain requirements. Amongst these requirements is the establishment of a mechanism called ‘Whistle Blower Policy’ for the employees to report to the management about any improper activity, actual or suspected fraud or violation of company’s Code of conduct or Ethics policy, which may have serious repercussion on the company’s working.

For ensuring high level of transparency by CPSEs, the Govt. decided to make “Guidelines on Corporate Governance for CPSEs-2010” mandatory and applicable to all CPSEs. These guidelines w.r.t. Whistle Blower Policy specify as follows:

“The Company may establish a mechanism for employees to report to the management concerns about any improper activity, actual or suspected fraud, or violation of the Company’s General Guidelines on Conduct or Ethics Policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. Once established, the existence of the mechanism may be appropriately communicated within the organisation”.

The Guidelines further provide that Audit Committee shall review the functioning of the Whistle Blower Mechanism and protect Whistle Blowers. Besides the annual report of a company’s disclosures on Corporate Governance shall include the ‘Whistle Blower Policy’ and the affirmation that no personnel has been denied access to the Audit Committee.

Further, statutory auditors of the company are required to comment on the Fraud Prevention Policy of the Company in their report to the Controller and Auditor General of India (C&AG) in compliance of the provisions of section 619 (3) of Companies Act, 1956.

In light of the foregoing, the Whistle Blower Policy has been formulated with a view to provide a system for detection & prevention of any improper activity, actual or suspected fraud and for fair dealing of matters pertaining to fraud.

## 2) **OBJECTIVES**

- i) To provide a framework to promote responsible & secure whistle blowing and ensure confidentiality to the whistle blower.
- ii) To provide assurances that any and all suspected fraudulent activity will be fully investigated.
- iii) Ensure that the Whistle Blower is not victimized for doing so.
- iv) Take disciplinary action if anyone destroys or conceals evidence of the protective disclosures.
- v) To conduct investigations into improper activities.

**Note :** A disciplinary action against the Whistle Blower which occurs on account of poor job performance or misconduct by the Whistle Blower and which is independent of any disclosure made by the Whistle Blower shall not be protected under this policy.

## 3) **DEFINITIONS**

- i) **“Company”**-Company means “SJVN Ltd.”
- ii) **“Audit Committee”**-Audit Committee shall mean a “Committee of Board of Directors” of the Companies, comprising of Part Time directors, Constituted in accordance with provision of section 292 A of Companies Act 1956 read with clause 49 of listing agreement entered into by the Company with Stock Exchanges.
- iii) **“Competent Authority”** means the Chairman & Managing Director of SJVN and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (CMD being the subject person), Competent Authority means Chairman Audit Committee.
- iv) **“Employee”**-Employee means all persons who are regular, on Probation, Part-Time, Temporary, or on Deputation and includes employees appointed on Adhoc/ Contract basis.

- v) **“Improper Activity”**- Improper Activity means Actual or Suspected Fraud or Violation of the Company’s Guidelines on Conduct or Ethics Policy as detailed in Conduct, Discipline & Appeal Rules/Standing Orders, by any employee of SJVN.
- vi) **“Investigators”** means those persons authorized, appointed, consulted or approached by the Chairman & Managing Director/Competent Authority in connection with conducting investigation into a protected disclosure and includes the Auditors of SJVN.
- vii) **“Protected Disclosure”**– means “any written communication made in good faith” that discloses or demonstrates information that may be treated as evidence of any improper activity or wrongful conduct.
- viii) **“Screening Committee”** means a Committee constituted under ‘Whistle Blower Policy’ of SJVN, comprising of, the Chairman & Managing Director and two Functional Directors as nominated by the CMD. To take decision in the Screening Committee, CMD and one Functional Director should necessarily be present.
- ix) **“Subject”**- Subject means an employee against or in relation to whom a protective disclosure is made or evidence gathered during the course of an investigation.
- x) **“Whistle Blower”**- An employee of the company who discloses in good faith any improper activity, or alleged wrongful conduct to the management in writing.
- xi) **“Good Faith”**-An employee shall be deemed to be communicating in ‘Good faith’ if there is a reasonable basis for communication of improper practices or any other alleged wrongful conduct. Good faith shall be deemed lacking when the employee does not have personnel knowledge on factual basis for the communication or where the employee knew or reasonably should have known that the communication about improper practices or alleged wrongful conduct is malicious, false or frivolous.
- xii) **“Motivated complaint”** means a complaint shall be deemed to be motivated if it is found to be deliberately false or motivated by revenge/enmity/mischief or extraneous considerations.
- xiii) **“Bonafide Complaint”** means a complaint shall be deemed to be bonafide unless it is found to be motivated.
- xiv) **“Confidential Section”** under this policy means Company Secretary Department.

- xv) **“Unpublished price sensitive information”** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
- a) financial results;
  - b) dividends;
  - c) change in capital structure;
  - d) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - e) changes in key managerial personnel.

**(ChRC No. 651/2019 dated 02.05.2019)**

#### 4) **COVERAGE OF The POLICy**

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

- 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.
- vi) Criminal Offence
- vii) Proliferation of Confidential/Propriety Information
- viii) Deliberate Violation of Law/Regulation
- ix) Wastage/Misappropriation of Company Funds/Assets
- x) Breach of employee Code of Conduct or Rules.
- xi) Any other Improper Activity, Biased, Favoured, Imprudent Event
- xii) Leakage of Unpublished Price Sensitive Information

**(ChRC No. 651/2019 dated 02.05.2019)**

Policy should not be used in place of the company’s Grievance Procedure or be a route for raising malicious or unfounded allegations against colleagues.

#### 5) **ELIGIBILITY**

All employees of SJVN are eligible to make “Protected Disclosures”.

## 6) GUIDING PRINCIPLES

- 6.1 Protected disclosures shall be acted upon in a time bound manner.
- 6.2 Complete confidentiality of the Whistle Blower will be maintained.
- 6.3 The Whistle Blower and/or the person(s) processing the Protected Disclosure will not be subjected to victimization.
- 6.4 Evidence of the protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.
- 6.5 ‘Subject’ of the Protected Disclosure i.e. Employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.
- 6.6 Whistle Blower should bring to attention of the Competent Authority at the earliest any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.
- 6.7 The Whistle Blower shall co-operate with investigating authorities and the latter shall maintain full confidentiality.
- 6.8 The Whistle Blower Policy does not tantamount in any manner to dilution of the Vigilance mechanism in SJVN. Rather, over and above the existing Vigilance mechanism, any protected Disclosure made by an employee under this policy, if perceived to have a vigilance angle, shall be referred to the Chief Vigilance Officer, SJVN, as per the existing practice.

## 7) WHISTLE BLOWER- ROLE & PROTECTION

- 7.1 The Whistle Blower’s role is that of a reporting party with reliable information.
- 7.2 The Whistle Blower is not required or expected to conduct any investigation on his own.
- 7.3 The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he shall not have a right to participate.
- 7.4 Protected Disclosure will be appropriately dealt by the Competent Authority.
- 7.5 The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

### PROTECTIONS

- 7.6 Whistle Blowers will be accorded protection from any kind of harassment/unfair treatment/victimization. However, motivated and frivolous disclosures shall be discouraged.

- 7.7 If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, arrangements will be made for the Whistle Blower to receive advice about the procedure. Expenses incurred by the Whistle Blower in connection with the above, towards travel etc. will be reimbursed as per normal entitlements.
- 7.8 A Whistle Blower may report any violation of Clause 7.7 above to the Competent Authority, who shall then investigate into the same and take corrective action as may be required.
- 7.9 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 8) PROCEDURES-ESSENTIALS AND HANDLING OF PROTECTED DISCLOSURE:**
- 8.1 The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the Whistle blower/complaint i.e. his/her name, Employee No. Designation and Address, and should be inserted in an envelope which should be closed/secured/sealed.
- 8.2 The envelope thus secured/sealed should be addressed to the Competent Authority and should be super scribed “Protected Disclosure”. (If the envelope is not super scribed and closed/sealed/secured, it will not be possible to provide protection to the whistle Blower as specified under this policy).
- 8.3 The complaint can also be sent to a dedicated e-mail address. The e-mail address will be displayed in all offices/projects/SJVN website. The e-mail should be followed by a written complaint as per the mechanism detailed at 8.1 and 8.2 above.
- 8.4 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he may send his protected disclosure directly to the Chairman, Audit Committee, C/o the Company Secretary, SJVN.
- 8.5
- i) No action shall be taken on anonymous complaints.
  - ii) Complaints containing vague allegations shall also be filed without verification of the identity of the complainant.
  - iii) In case of complaint with verifiable allegations, acknowledged with approval of Competent Authority, the complaints shall be first sent to Complainant for owning/disowning. After 15 days a reminder will be sent and in case no reply is received after 15 days of the reminder, the complaint shall be filed as pseudonymous.
- (CPC No. 448/2015 dated 16.01.2015)**
- 8.6 Protected Disclosure should be typed or written in legible hand writing in any language listed in the constitution of India and should provide a clear understanding of the

Improper Activity involved or issue/concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible to allow for preliminary review and proper assessment.

8.7 Investigations into any Improper Activity which is the subject matter of an inquiry or order under the Public Servants' Inquiries Act, 1850 or under the commissions of Inquiry Act, 1952 will not come under the purview of this policy.

8.8 The contact details of the Competent Authority for addressing and sending the protected Disclosure is as follows:

The Chairman-cum-Managing Director  
Competent Authority  
Whistle Blower Mechanism  
SJVN Ltd.,  
Shakti Sadan, Shanan,  
Shimla (HP)-171006.

8.9 The contact details for addressing a protected disclosure to the Chairman Audit Committee are as follows:

Chairman, Audit Committee  
C/o Company Secretary,  
SJVN Ltd.,  
Shakti Sadan, Shanan,  
Shimla (HP)-171006

8.10 The e-mail address is as under :-  
blow.whistle@sjvn.nic.in

8.11 The Competent Authority shall mark the envelope containing the protected disclosure to the dedicated Confidential Section, which shall maintain a record thereof and shall submit the same to the Screening Committee.

8.12 The Screening Committee shall weed out frivolous/motivated complaints and the Protected Disclosure (s)/bonafide complaints which require further investigation shall be forwarded to the investigator(s) nominated for this purpose, through the Confidential Section.

8.13 The Screening Committee shall endeavour to meet as early as possible, preferably within 15 days of receipt of a protected Disclosure.

## 9) INVESTIGATIONS AND ROLE OF INVESTIGATORS

### **Investigation :**

- 9.1 Investigations shall be launched if the Screening Committee is satisfied after preliminary review that:
- a) The alleged act constitutes an improper activity or conduct, and
  - b) The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter deserves investigation.
- 9.2 The decision taken by the Screening Committee to conduct an investigation is by itself not to be construed as an accusation and is to be treated as a neutral fact finding process.
- 9.3 The identity of the Subject(s) and the Whistle Blower will be kept confidential.
- 9.4 Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.
- 9.5 Subject(s) shall have a duty to co-operate with the investigator(s) during Investigation to the extent that such co-operation will not compromise self incrimination protections available under the applicable laws.
- 9.6 Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the subject (s).
- 9.7 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 9.8 The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
- 9.9 Subject(s) have a right to be informed of the outcome of the investigation.
- Role of Investigator(s):**
- 9.10 Investigator(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall have derived their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his/her their report to the Competent Authority.

9.11 All Investigators shall perform their role in an independent and unbiased manner . Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of professional standards.

## 10) ACTION

10.1 If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable in law, the Competent Authority may direct the Concerned Authority to take disciplinary action under applicable statutory provisions/extant rules including referring the matter to Chief vigilance Officer of SJVN for appropriate action.

10.2 The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.

10.3 If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section.

10.4 If the Competent Authority is satisfied that the protected disclosures/complaint is false, motivated or vexatious, the Competent Authority may report the matter to concerned disciplinary Authority for appropriate disciplinary action against the whistle blower.

## 11) GRIEVANCE

11.1 If the Whistle Blower feels aggrieved with the disposition of his or her complaint or if the Whistle Blower or subject feels that protection, which either of them is entitled to has not been provided or has been disregarded, the Whistle Blower or Subject as the case may be may make a representation in writing of his or her grievance to the Chairman of the Company, who will take such action in the matter as he considers necessary to redress the grievance.

11.2 If the Whistle Blower or Subject feels aggrieved with the action taken by the Chairman of the Company on a representation made under Clause 11.1 he/she may make a representation in writing of his or her grievance to the Chairman, Audit Committee, who shall take or direct such action,in consultation with the Audit Committee, on the representation as he shall deem fit. The decision of the Audit Committee shall be final and binding on Whistle blower and on the Subject(s).

## 12) REPORTING AND REVIEW

12.1 The competent Authority shall submit a report of the complaint, of investigation conducted, and of the action taken to the Chairman, Audit Committee, who shall have power to review

any action or decision taken by the Competent Authority.

- 12.2 All employees of the Corporation shall abide by, obey and be bound to implement any decision taken or direction given by the Audit committee.

**13) NOTIFICATION**

All Departmental Heads are required to notify & 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 Deptt.

This policy as amended from time to time shall be made available at the website of the Company.

**14) ANNUAL AFFIRMATION**

The Company shall annually affirm that it has not denied any employee access to the Audit committee and that it has provided protection to the Whistle Blower from adverse action. The affirmation shall form part of Corporate Governance report as attached to the Annual report of the company.

**15) ADMINISTRATION & REVIEW OF THE POLICY**

This policy can be changed, modified or abrogated at any time by the Board of Directors of the Company.

**Note:** The complaints against CMD and Functional Directors whether pseudonymous or otherwise shall however be dealt as per procedure notified vide DPE OM No. 15(1)/2010-DPE (GM) dated 11.03.2010. **(CPC No. 448/2015 dated 16.01.2015)**

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**Record of Revisions**

Sr. No.	CPC/ChRC NO.	Date	Amendment Details
1	284/2011	20.12.2011	Policy Introduced
2	448/2015	16.01.2015	
3	651/2019	02.05.2019	
4			
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