



Shyama Power India Limited **Policy on Vigil Mechanism / Whistle Blower Mechanism**

1. PREFACE

- **Shyama Power India Limited (the Company/SPIL)** believes in the conduct of its affairs in a fair and transparent manner by adopting the highest standards of professionalism, integrity and ethical behaviour, with all stakeholders and amongst its employees.
- The Company is committed to developing and sustaining a culture where it is safe for all employees to raise concerns about any poor/unethical or unacceptable practice and any event of misconduct.
- Pursuant to the provisions of Section 177 (9) of The Companies Act, 2013, the Company is a prescribed company and was required to establish Vigil Mechanism / Whistle Blower Mechanism and formulate a Policy to the effect for its Directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. Accordingly, The Company has adopted a Code of Conduct ("the Code") for Directors and Senior Management Personnel (as defined in "the Code") which lays down the principles and standards that should govern the actions of the Company and its employees, across all the verticals and irrespective of stature. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of Directors, employees and any other person who avail of such mechanism and also make provisions for direct access to the Chairman of Audit Committee in exceptional cases.
- The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects directors and employees wishing to raise a concern about irregularities of either nature within the Company.
- The policy neither releases directors and 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 and it is expected that it shall be sparingly used.

2. POLICY

- This Policy is for the Directors and the Employees as defined herein.



- The Policy has been framed with a view that the Directors and Employees can confidently raise a concern without any fear of repercussion of any nature. The areas of concern covered by this Policy are summarized further in the policy.

3. DEFINITIONS

- **“Board”** means Board of Directors of the Company.
- **“Alleged wrongful conduct”** shall mean violation of law, infringement of Company's code of conduct or ethics policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- **“Unethical & improper practices”** shall mean:
 - An act, which does not conform to approved standard of social and professional behaviour;
 - An act, which leads to unethical business practices;
 - Improper refers to unethical conduct;
 - Breach of etiquette or morally offensive behaviour, etc.
- **“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, transfer, suspension, dismissal from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- **“Employee”** means all present employees of the Company including whole time directors (whether working in India or abroad), including interns/trainee/ad-hoc employees.
- **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may reveal evidence of unethical or improper activity.
- **“Subject”** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- **“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.
- **“Whistle Blower”** is someone who makes a Protected Disclosure under this Policy.



- “Whistle Officer” or “Committee” means an officer or Committee of persons who is nominated/appointed to conduct detailed investigation.

4. 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 Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- Treat victimization as a serious matter including initiating disciplinary action against person/(s) who victimize an employee;
- Ensure complete confidentiality;
- Not attempt to conceal any evidence in connection with the Protected Disclosure;
- Take disciplinary action against anyone attempting to destroy or conceal evidence of the Protected Disclosure made/to be made;
- Provide an opportunity of being heard to the persons involved especially to the Subject.

5. SCOPE OF POLICY

The Policy covers unethical & improper practices which have taken place/suspected to take place involving:

- Abuse of authority
 - Breach of contract
 - Negligence causing substantial and specific danger to public health and Safety
 - Manipulation of company data/records
 - Financial irregularities, including fraud, or suspected fraud
 - Criminal Offence
 - Pilferation of confidential/proprietary information
 - Deliberate violation of law/regulation
 - Wastage/misappropriation of company’s funds/assets
 - Any other unethical event/behaviour
- It is the policy of the Company that common sense and sound business judgment is the key to determining whether conduct complies with ethical and legal standards.

The above list is only illustrative and should not be considered as exhaustive. This Policy should neither be used as a grievance reporting procedure, including but not limited to settling personal issues pertaining to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges, nor be resorted to as a means for raising malicious or unfounded allegations against colleagues/seniors.



6. ELIGIBILITY

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to any suspected or actual unethical or improper conduct / activity / matter concerning the Company only, including those pertaining to violations about financial reporting, bribery, etc., which might adversely affect the reputation and / or the working environment of the Company.

7. DISQUALIFICATIONS

- 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 as per HR policy of Company including action as per applicable Statutes, as the case may be.
- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious shall be liable to action as stated as aforesaid.
- Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala-fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company / Audit Committee would reserve its right to take / recommend appropriate disciplinary action.

8. MANNER IN WHICH CONCERN CAN BE RAISED

- All 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. All Protected Disclosures should be directly and confidentially addressed to the Nodal Officer of the Company, with tangible evidence of unethical or improper conduct/activity/matter.
- All the Protected Disclosures under this policy should be submitted in a closed envelope marked as "Confidential". Alternatively, the same can also be sent through email



with the subject "**Protected disclosure under the Whistle Blower policy**" as per covenant of present policy.

- All Protected Disclosures should be addressed to the Chairman of the Audit committee/Chairman of Company in exceptional cases. The Contact details are as under:-

<u>Chairman:</u> Mr. Ram Sagar Thakur Shyama Power India Limited Plot No. 49, Sector-44, Gurugram, Haryana-122002 Email: cmd@shyamapower.com <u>And cc to cs@shyamapower.com</u>	<u>Chairman of Audit Committee:</u> Mr. Madan Mohan Priya Chairman, Audit Committee Shyama Power India Limited Plot No. 49, Sector-44, Gurugram, Haryana-122002 Email: lawmakermohanbhai@gmail.com <u>And cc to cs@shyamapower.com</u>
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- If a protected disclosure is received by any executive of the Company other than the persons specified above, the same should be forwarded to them for further appropriate action.
- This Policy encourages individuals to put their names to allegations. However, individuals may raise concerns anonymously. Concerns expressed anonymously will be evaluated by the Company for investigation, depending on the merits of case and nature of allegations levelled including other nuances thereto, as the case may be. In exercising this discretion, the factors to be taken into account would include:
 - ❖ The seriousness of the issue raised,
 - ❖ The credibility of the concern and
 - ❖ The likelihood of confirming the allegation from attributable sources.
- The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Nodal Officer/ MD /Chairman of the Audit Committee shall detach the covering letter bearing the identity of the Whistle Blower and forward only the Protected Disclosure to the Audit Committee and if the Audit Committee deemed it fit, forward the Protected Disclosure to the Investigators for investigation.
- All enquiries will be carried by the Audit committee. The Persons involved in the investigation should have sufficient knowledge / experience in this area and about the business of the Company. The investigation would be conducted in a fair manner, as a neutral fact- finding process and without presumption of guilt. A written report of the findings shall be made.



- Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Committee unless essentially required for the purpose of investigation.
- The Whistle Officer/Committee shall:
 - ❖ Make a detailed written record of the Protected Disclosure. The record will include:
 - Facts of the matter,
 - Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof,
 - Whether any Protected Disclosure was raised previously against the same Subject,
 - The financial or other loss which has been incurred/would have been incurred by the Company,
 - Findings of the person nominated by the Board/Whistle Officer/ Committee,
 - The recommendations of the person nominated by the Board/ Whistle Officer/ Committee on disciplinary/other action/(s).
 - ❖ The Whistle Officer/Committee shall finalise and submit the report to the Board within 30 days of being nominated / appointed, unless more time is required under exceptional circumstances, wherein the delay beyond stipulated days shall be recorded in writing.
 - ❖ On submission of the report, the Whistle Officer/Committee shall discuss the matter with the Board who shall:
 - In case the Protected Disclosure is not proved, extinguish the matter,
 - If an investigation leads, it will be concluded that an improper or unethical act has been committed, the management of the Company shall take such disciplinary or corrective action as he deems fit and take preventive measures to avoid re-occurrence of such incidents/events.

9. INVESTIGATION

- All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigators, who will investigate the complaints received under the authorization of the Audit Committee.
- 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 the Audit Committee or the Investigators.



- Protected Disclosures involving or relating to the Nodal Officer / MD which in the opinion of the Audit Committee may hamper the independence of the Nodal Officer / MD in conducting the investigation will be investigated by the Audit Committee itself.
- The Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- 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.
- The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 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.
- Subjects shall have a duty to co-operate with Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- Subjects 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 Subjects.
- Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- Subjects have a right to be informed of the outcome of the investigation. 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.
- The investigation shall be completed normally within 30 days of the receipt of the Protected Disclosure and is extendable by such period as the Audit Committee deems fit.



10. PROTECTION AND CONFIDENTIALITY

- 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.
- Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation or termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behaviour 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. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- The identity of the Whistle Blower shall be kept confidential.
- Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

- Be sworn to maintain confidentiality in the matter,
- Not discuss the matter in any informal/social gatherings/ meetings,
- Discuss the matter only to the extent and, then only, with the persons required for the purpose of completing the process and investigations,
- Not keep the papers/information related with the matter unattended anywhere at any time,
- Keep the electronic mails/files password protected.

If anyone is found not complying with the above, he/she shall be held liable for such disciplinary action as is considered fit



11. INVESTIGATORS

- Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- Whistle Blower's 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.
- Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall act in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- Investigations will be launched only after a preliminary review which establishes that: o the alleged act constitutes an improper or unethical activity or conduct; and, o 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 as an investigation of an improper or unethical activity.

12. DECISION AND REPORTING

- The Nodal Officer shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall direct the MD of the Company to take such disciplinary or corrective action as the Audit Committee deems fit. It is clarified that 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 personnel or staff conduct and disciplinary procedures.
- In case the Subject is Nodal Officer of the company, the Protected Disclosure shall be addressed to the MD, 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 upon receipt of findings of the investigation report in the matter shall make such recommendation to the MD as it may deem fit. After considering the report and recommendation as aforesaid, MD shall forward the said report with its 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 forwarded to the Audit Committee, the Nodal Officer, the complainant and the Subject.

- In case the Subject is the MD of the company, the Chairman of the Audit Committee 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 such Protected Disclosure.
- A complainant, who makes false allegations of unethical & improper practices or about wrongful conduct of the Subject to the Nodal Officer / MD/ Chairman of the Audit committee, the Audit Committee, shall be subject to appropriate disciplinary action in accordance with the Code of Conduct and Standing Orders of the Company.
- A report with number of complaints received under the Policy and their outcome shall be placed by Mr. Madan Mohan Priya, Chairman of Audit Committee before the Board.

13. RETENTION OF DOCUMENTS

All Protected Disclosures documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years or such other period as specified by any other law in force, whichever is more.

14. DISCLOSURE IN ANNUAL REPORT

The details of establishment of whistle Blower Mechanism/Vigil Mechanism shall be disclosed by the Company in its Annual Report under the Board's Report.

15. DISCLOSURE ON WEBSITE

The policy on Vigil Mechanism/Whistle Blower Mechanism of the Company shall be placed on the website of the company which can be accessed via the link <https://www.shyamapower.com/governance.php>

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 including reasons arising out of amendments in applicable provisions, if any. However, no such amendment or modification will be binding on the employees and directors unless the same is notified to the employees and directors in writing.