

**BHARUCH DAHEJ RAILWAY COMPANY LIMITED**

**VIGIL MECHANISM / WHISTLE BLOWER POLCY**

(Approved by the Board of Directors on 20<sup>th</sup> August, 2015)

## **1. PREFACE**

Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 requires every listed company and such class or classes of companies, as may be prescribed; to establish a vigil mechanism for the Directors and employees to report genuine concerns as may be prescribed. Further such vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Vigilance Officer or such other authorized officials of the company.

As per the rules under the companies Act, 2013, among others, a company which has borrowed money from banks and public financial institutions in excess of Rs. Fifty (50) crores, need to have a vigil mechanism.

**Bharuch Dahej Railway Company Limited (BDRCL)** (Hereinafter referred to as (“the Company”)) requires to establish a vigil mechanism for directors and employees to report the genuine concerns as per the provisions of Section 177 (9) & (10) read with Rule 7 of chapter XII of the Companies Act, 2013; in such manner as may be prescribed.

In view of the above, and under these circumstances **BDRCL**, being a company requiring to establish a Vigil Mechanism proposes to establish a Vigil mechanism and to formulate a whistle blower policy.

## **2. OBJECTIVE OF THE POLICY**

The purpose and objective of this policy is to provide a framework to promote responsible and secure whistle blowing. It provides an enabling framework to the employees wishing to raise a concern about serious irregularities within the Company, and protects them adequately.

To maintain the standards and objectives mentioned above, the company encourages its directors and employees who have genuine concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment. A vigil (whistle blower) mechanism

provides a channel to the employees and Directors to report to the management any concerns about unethical behavior, actual or suspected fraud or violation of the prudent behavior one is expected to engage in for maintaining discipline or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases.

This policy, however, 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.

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

This policy covers malpractices and events which have taken place, suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters and activities on account of which the interest of the Company is affected and formally reported by whistle blowers. This policy is intended to encourage and enable employees to raise serious concerns within the company prior to seeking resolutions outside the Company.

### **4. DEFINITIONS**

“**Alleged Wrongful Conduct**” shall mean violation of law, infringements of Company’s rules, misappropriation of monies, actual or suspected fraud, causing substantial and specific danger to public health and safety and abuse of authority.

“**Audit Committee**” means a committee constituted by the Board of Directors of BDRCL in accordance with the Companies Act, 2013.

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

“**Company**” means the Bharuch Dahej Railway Company Limited” and all its offices.

“**Employee**” means all the present employees and Directors of the Company, including employees appointed on contract basis, but shall

exclude persons deployed by professional agencies for carrying out activities outsourced to them.

**“Protected Disclosures”** means any communication in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

**“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.

**“Vigilance & Ethics Officer”** means an officer appointed to receive Protected disclosures from whistle blowers, maintain records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the result thereof.

**“Whistle Blower”** is an employee or group of employees who make a Protected Disclosures under this policy and also referred in this policy as Complainant.

## **5. REPORTING OF PROTECTED DISCLOSURES**

All employees of the Company are eligible to make protected disclosures under the policy in relation to matters concerning the Company. The Company does not tolerate any malpractice, impropriety, statutory non-compliances or wrong doings. This policy ensures that employees are empowered to pro-actively bring to light such instances without fear of reprisal, discrimination or adverse employment consequences.

### **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.

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 mala fide intentions.

Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious or reported otherwise 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 rights to take / recommend appropriate disciplinary action.

This policy is not however intended to question financial or business decisions taken by the company that are not Protected disclosures nor should it be used as a means to re consider any matters which have already been addressed pursuant to disciplinary or other internal procedures of the Company. This policy shall not be used:

- a. For raising grievances related to employees own career / other personal grievances,
- b. For raising grievances related to career of other employees / colleagues,
- c. Grievances arising out of the policies / procedures of the Company and any decision taken by the superior / management in this respect,
- d. Grievances related to such other similar issues like (a), (b) and (c) hereinabove.

All Protected Disclosures should be reported in writing by the whistle blower as soon as possible after the whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised.

Employees can lodge a Protected Disclosure in one of the following ways:

- I. By sending an email to [whistleblower.bdrc1@yahoo.com](mailto:whistleblower.bdrc1@yahoo.com) with the subject “Protected Disclosures under the whistle Blower Policy”, or
- II. By sending letter in a closed and secure envelope and super scribed as “Protod Disclosure under the Whistle Blower Policy” to the Vigilance & Ethics Officer (as notified from time to time).

In both cases, protected disclosure shall be in format as per **Annexure “A”** of this policy, as far as possible.

All disclosures shall be addressed to the Vigilance & ethics Officer of the Company for the time being or to the Chairman of the Audit committee in exceptional cases.

The contact details of Vigilance & Ethics Officer is as under:

Beena R. Shah

Company Secretary

Bharuch Dahej Railway Company Limited

39-42, 3<sup>rd</sup> Floor, Indra Palace,  
Connaught Circus, Inner Circle,  
New Delhi 110001

Protected disclosures against the Vigilance & Ethics Officer should be addressed to the Chairman of the Audit Committee. The contact details of the chairman is as under:

Chairman  
Audit Committee,  
Bharuch Dahej Railway Company Limited  
39-42, 3<sup>rd</sup> Floor, Indra Palace,  
Connaught Circus, Inner Circle,  
New Delhi 110001

In order to protect the identity of the Complainant, the Vigilance & Ethics Officer will not issue any acknowledgement to the complainant(s) and they are advised not to write their name /address on the envelope nor enter into any further correspondence with the Vigilance & Ethics Officer. The Vigilance & Ethics Officer shall ensure that in case any further clarification is required he will get in touch with the complainant.

Anonymous / Pseudonymous disclosures shall not be entertained by the Vigilance & Ethics Officer. While this policy is intended to protect genuine whistle blowers from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with malafide intentions is strictly prohibited. An employee who makes a complaint with malafide intentions and which is subsequently found to be false will be subject to strict disciplinary action.

The Whistle Blower's role is that of a reporting party. Whistle Blowers are not investigators or finders of fact; neither can they determine the appropriate corrective or remedial action that may be warranted.

Although a Whistle Blower is not required to furnish any more information than what he / she wishes to disclose; it is essential for the Company to have all critical information in order to enable the

Company to effectively evaluate and investigate the complaint. It is difficult for the company to proceed with an investigation on a complaint, which does not contain all the critical information such as the specific charge. The complaint or disclosures must therefore provide as much detail and be as specific as possible, in order to facilitate the investigation.

To the extent possible, the complaint or disclosures must include the following:

- i. The employee, and / or outside party or parties involved,
- ii. The sector of the company where it happened (location, Department, Office),
- iii. When did it happen , a date or a period or time,
- iv. Type of concern (what happened):
  - a) Financial Reporting,
  - b) Legal matter,
  - c) Management action,
  - d) Any prejudicial act in which stakeholders interest or public interest is involved,
  - e) Serious frauds which are affecting or may affect the financial position of the company ,
  - f) Internal theft,
  - g) Corruption and bribery,
  - h) Violation of human rights,
  - i) Sexual Harassments,
  - j) Inappropriate sharing of Company sensitive information,
  - k) Employee Misconduct; and / or
  - l) Health & Safety and Environment Matters
- v. Submit proof or identity where proof can be found, if possible,
- vi. Who to contact for more information, if possible, and / or
- vii. Prior efforts to address the problem, if any

## **6. RECEIPT, INVESTIGATION AND DISPOSAL OF PROTECTED DISCLOSURES**

On receipt of the protected disclosures, the Vigilance & Ethics Officer / The Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosures and also ascertain from the complainant whether he was the person who made the Protected Disclosre(s) or not. He

shall also carry out initial investigation either himself or by involving any other officer of the Company 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 on the subject, and if so, the outcome thereof,
- c) Details of action taken by the Vigilance & Ethics Officer / the Chairman of the Audit committee processing the complaint,
- d) Findings and recommendations

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

## **INVESTGATION**

The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process. 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. He shall have a duty to co-operate with the audit committee or any of the officer(s) appointed by it in this regard and shall be subject to strict disciplinary action up to and including immediate dismissal, if they fail to co-operate in an investigation, or deliberately provide false information during the investigation.

Subject(s) have right to consult with a person or persons of their choice, other than the Vigilance & Ethics Officer / Investgators and / or members of the Audit Committee and / or the Whistle Blower. He has a responsibility not to interfere with the investigation. Evidence(s) shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by him.

Unless there are compelling reasons not to do so, he will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against him shall be considered as maintainable unless there is good evidence in support of the allegation. He has a right to be informed of the outcome of the investigations. If allegations are not sustained, he should be consulted, as to whether public disclosure of

the investigation results would be in the best interest of him and the Company.

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.

All information disclosed during the course of the investigation will remain confidential, except as necessary or appropriate to conduct the investigation and take any remedial action, in accordance with any applicable laws and regulations. The Company reserves the right to refer any concern(s) or complaint(s) regarding Protected Disclosure to appropriate regulatory authorities.

## **DISPOSAL**

If an investigation leads the Vigilance & Ethics Officer to conclude that an improper or unethical act has been committed, the Vigilance & Ethics Officer shall recommend to the management of the Company to take such disciplinary or corrective measures / actions commensurate with the severity of the offence, as he may deem fit. The Company may also take reasonable and necessary measures to prevent any further violations which may have resulted in a complaint being made. 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.

The Vigilance & Ethics Officer shall submit a report to the Chairman of the audit committee on a regular basis about all Protected Disclosures referred to him / her since the last report together with the results of the investigations, if any.

A complainant who makes false allegations of unethical or improper practices or about alleged wrongful conduct of the subject to the Vigilance & ethics Officer / the Chairman of the Audit Committee, shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## **PENALTY**

If the alleged fraud or alleged wrongful conduct is proven after investigation, the Vigilance & Ethics Officer may impose such penalty / fine, as it may deem fit depending upon nature of fraud or unethical act done by the subject(s).

## **7. SECRECY / CONFIDENTIALITY**

The complainant, Vigilance & Ethics Officer, Chairman of the Audit Committee, the Subject and everybody involve in the process shall:

- a. Maintain confidentiality of all matters under this policy;
- b. Conduct discussions only to the extent required or with persons as required under this policy, for completing the process of investigation;
- c. Not keep the papers unattended anywhere at any time;
- d. Keep the electronic mails / files safe and protected under password.

## **8. PROTECTION**

No personnel, who in good faith, makes a disclosure or lodges a complaint in accordance with this policy shall suffer reprisal, discrimination or adverse employment consequences. Accordingly the Company prohibits discrimination, retaliation or harassment of any kind against a Whistle Blower, who based on his / her reasonable belief that one or more Protected Disclosures have occurred or are occurring, reports that information. Any employee who retaliates against a Whistle Blower who has raised a concern or complaint in good faith, will be subject to strict disciplinary action up to and including immediate termination of employment or termination of his / her relationship with the Company.

If any employees who makes a disclosure in good faith, believes he / she is being subjected to discrimination, retaliation or harassment for having made a disclosure under this policy, he / she must immediately report those facts to his / her supervisor, manager or point of contact. If, for any reason, he / she doesn't feel comfortable discussing the matter with these persons, he / she should bring the matter to the attention of the Vigilance & Ethics officer or the Chairman of the Audit Committee in exceptional cases. It is imperative that such employee brings the matter to the company's attention promptly so that any concern of reprisal, discrimination or adverse

employment consequences can be investigated and addressed promptly and appropriately.

Whenever a Whistle Blower reports any violation of the above clause to the Vigilance & Ethics Officer or the Chairman of the Audit Committee, as the case may be, the latter shall have investigations into the same launched, and recommend suitable action to the management.

The Company will take steps to minimize difficulties, which a Whistle Blower may experience as a result of making the Protected Disclosure(s). The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same same extent as Whistle Blower.

The Whistle Blower shall have right to access the 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.

## **9. RETENTION OF DOCUMENTS**

The company shall maintain documentation of all Protected Disclosures or reports subjected to this policy. The documentation shall include any written submissions provided by the complainant, any other company documents identified in the complaint or by the Company as relevant to the complainant, a summary of the date and manner in which the complaint was received by the Company and any response by the Company to the complainant.

All such documentation shall be retained by the company for a minimum of five (5) years or such other period as specified by any other law in force, whichever is more, from the date of receipt of the complaint. Confidentiality shall be maintained to the extent reasonably practicable depending on the requirements and nature of the investigation, as indicated above.

## **10. ADMINISTRATION AND REVIEW OF THE POLICY**

The Vigilance & Ethics Officer shall be responsible for the administration, interpretation, application and review of this policy. The Vigilance & Ethics

Officer shall also be empowered to bring about necessary changes in this policy, if required.

## **11.AMENDMENTS**

The Company reserves its rights to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever. Modification, may be necessary among other reasons, to maintain compliance with local, state, central or federal regulations and / or accommodate organizational changes within the company. However, no such amendment or modification will be binding on the employees and Directors unless the same is notified to them in writing.

**Annexure “A”**

Date:

Name of Complainant (Employee / Director)

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Email Id

Address:

Contact No.:

Subject matter which is being reported:

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Name of Person(s) / Event(s) / Subjects) focused at:

- 1.
- 2.

Brief about concern:

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Evidence (if any):

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(Signature)