

**VIGIL MECHANISM CUM  
WHISTLE BLOWER POLICY  
*OF***

**BHILAI JAYPEE CEMENT LIMITED  
(BJCL)**



## **1. PREFACE**

The Company, **Bhilai Jaypee Cement Limited (BJCL)**, belongs to Jaypee Group which believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, integrity and ethical behaviour.

Jaypee Group is committed to developing a culture where it is safe for all employees to raise concerns about any event of misconduct or violation of law in force.

In an endeavor to safeguard the interests of the Company, the Company formulates Vigil Mechanism cum Whistle Blower Policy pursuant to Section 177 of The Companies Act, 2013 for the directors and employees to report genuine concerns.

Sub section (9) & (10) of Section 177 of the Companies Act, 2013 contain following provisions :

- i) establishment of vigil mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- ii) providing adequate safeguards against victimization of persons who use such mechanism;
- iii) making provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases; and
- iv) the details of establishment of such mechanism to be disclosed by the company on its website, if any, and in the Board's report.

Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 prescribes as follows:

- (1) 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 their genuine concerns or grievances-
  - (a) the Companies which accept deposits from the public;
  - (b) the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.
- (2) The companies which are required to constitute an audit committee shall oversee the vigil mechanism through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.
- (3) In case of other companies, the Board of directors shall nominate a director to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.
- (4) The vigil mechanism shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism



and also provide for direct access to the Chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.

- (5) In case of repeated frivolous complaints being filed by a director or an employee, the audit committee or the director nominated to play the role of audit committee may take suitable action against the concerned director or employee including reprimand.
- (6) Accordingly, this Vigil Mechanism cum Whistle Blower Policy has been formulated with a view to provide a mechanism for directors and employees of Bhilai Jaypee Cement Limited to raise concerns of any violations of legal or regulatory requirements, unethical behavior, fraud etc. The purpose of this Policy is to encourage the employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

## **2. DEFINITIONS**

- a. **“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.
- b. **“Board”** means the Board of Directors of the Company.
- c. **“Code”** means Code of Conduct of Directors and Senior Management.
- d. **“Director”** means a Director on the Board of the Company.
- e. **“Disciplinary Action”** means any action that can be taken on the completion of/during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter
- f. **“Employee”** means every Employee of the Company (whether working in India or abroad), including the Directors in the whole time employment of the Company.
- g. **“Good Faith”** An employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- h. **“Investigators”** means those persons authorized/appointed by the Chairman/Managing Director/CEO/Whole-time Director of the Company, as the case may be.
- i. **“Policy or This Policy”** means this Vigil Mechanism cum Whistle Blower Policy.



- j. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity. Protective disclosure should be factual and not speculative in nature.
- k. **“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- l. **“Whistle Blower”** means a Director / Employee making a Protected Disclosure under this Policy.

### 3. SCOPE

- a. The Policy is an extension of the Code of Conduct of Directors & Senior Management and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:
  - i. Abuse of Authority;
  - ii. Breach of Contract;
  - iii. Breach of the Company's Code of Conduct;
  - iv. Breach of Business Integrity and Ethics;
  - v. Breach of terms and conditions of employment and rules thereof;
  - vi. Intentional Financial irregularities, including fraud or suspected fraud;
  - vii. Deliberate error in preparation of Financial Statements or Misrepresentation of Financial Reports;
  - viii. Deliberate violation of laws/regulations;
  - ix. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment;
  - x. Manipulation of company data/records;
  - xi. Any unlawful act whether Criminal/Civil.;
  - xii. Pilferage of confidential/propriety information;
  - xiii. Gross Wastage/misappropriation of Company funds/assets, etc.
- b. The role of the Whistle Blower will be limited to report any act falling in any one or more of the above events with reliable information. The Whistle Blower shall neither be required nor expected to assume the role of Investigators or indulge in fact finding, nor would they deemed to assume the right to determine what appropriate corrective or remedial action is 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 the Investigator or by the competent authority.
- d. Protected Disclosure will be appropriately dealt with by the designated Investigator as the case may be.



- e. This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company. The policy neither releases 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 or satisfying personal grudges.

The Policy should not be used for raising malicious or unfounded allegations against colleagues.

#### **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:

- a. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- b. Treat victimization as a serious matter, including initiating disciplinary action, if required, on such person/(s);
- c. Ensure complete confidentiality;
- d. Not attempt to conceal evidence of the Protected Disclosure;
- e. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- f. Provide an opportunity of being heard to the persons involved especially to the Subject.

#### **5. PROTECTION TO WHISTLE BLOWER**

If an employee or director raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation.

The protection is available provided that:

- a. The communication/disclosure is made in good faith;
- b. He/She reasonably believes that information and any allegations contained in it, are substantially true; and
- c. He/She is not acting for personal gain.

Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy.

#### **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



matters concerning the Company or any Subsidiary, Associate or Joint Venture Company.

## **7. DISQUALIFICATIONS**

- a. 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.
- b. 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.
- c. 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. ACCOUNTABILITY OF WHISTLE BLOWERS**

- a. Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence for the Company;
- b. Avoid anonymity when raising a concern;
- c. Follow the procedures prescribed in this policy for making a Disclosure;
- d. Co-operate with investigating authorities, maintaining full confidentiality;
- e. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty disclosures;
- f. A Whistle Blower has the right to protection from retaliation;
- g. Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged malpractice/violation. It may forewarn the Subject in case any important evidence is likely to be destroyed.

## **9. ACCOUNTABILITY OF INVESTIGATOR**

- a. Conduct the enquiry in a fair, unbiased manner;
- b. Maintain strict confidentiality;
- c. Decide on the outcome of the investigation;
- d. Recommend an appropriate course of action - suggested disciplinary action, including dismissal and preventive measures;
- e. Minute Investigators' deliberations and document the final report.



## **10. RIGHTS OF SUBJECT**

- a. Subjects have a right to be heard and the Investigator must give adequate time and opportunity for the Subject to communicate his/her say on the matter;
- b. Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/ investigation process;
- c. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

## **11. PROCEDURE**

- a. All Protected Disclosures should be addressed to the Investigator so designated/appointed in the prescribed manner. The up to date contact information such as name, address, contact No. of Investigator of each of Company's Unit/Division/Branch Office shall be available on the display board of each such Unit/Division/Branch Office;
- b. Protected Disclosure against the Site/Officer in-charge should be addressed to the Chairman / Managing Director of the Company and the Protected Disclosure against the Chairman / Managing Director of the Company should be addressed to the Chairman of the Audit Committee.
- c. If a protected disclosure is received by any executive of the Company other than Investigator, the same should be forwarded to the Investigator of the Unit/Division/Branch Office concerned for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential;
- d. Protected Disclosures should preferably be reported in writing 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 the regional language of the place of employment of the Whistle Blower (in case he knows neither English nor Hindi) ;
- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Investigator shall detach the covering letter and process only the Protected Disclosure;
- 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. Anonymous disclosures will not be entertained as it would not be possible to interview the Whistle Blowers.





h. Format for submitting the Protected Disclosure?

While there is no specific format for submitting a Protected Disclosure, the following details MUST be mentioned:

- i) Name, address, employee ID and contact details of the Whistle Blower;
  - ii) Brief description of the malpractice/violation, giving the names of those alleged to have committed or about to commit a malpractice/violation. Specific details such as time and place of occurrence are also important;
- i. On receipt of the protected disclosure the Investigator shall make a record of the Protected Disclosure and also ascertain from the Whistle Blower whether he/she was the person who made the protected disclosure or not for further appropriate investigation and needful action. The record will include:
- i) Brief facts;
  - ii) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
  - iii) Whether the same Protected Disclosure was raised previously on the same subject;
  - iv) Details of actions taken by Site/Office In-charge / Chairman for processing the complaint.
  - v) Findings of the Investigator;
  - vi) The recommendations of the Investigator / other action(s).

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

## **12. INVESTIGATION**

- a. All Protected Disclosures reported under this Policy will be recorded and thoroughly investigated by the Investigator who shall be empowered to involve any other Officer of the Company for further investigation. If due to sensitivity or nature of Protected Disclosure, the Investigator deem it necessary, the Protected Disclosure will be forwarded to the Chairman/Managing Director of the Company and in case they also feel it requisite, they may report the protected disclosure to the Chairman of the Audit Committee for further action in such manner as he may deem necessary and the Chairman of the Audit Committee shall oversee the investigations under the authorization of the Audit Committee. Notwithstanding the above, any director / employee shall always 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. If the Chairman of the Audit Committee, Chairman/Managing Director of the Company or Investigator has a conflict of interest in any given case, then he/she should withdraw himself/herself from the proceedings.





- b. The decision to conduct an investigation taken by Investigator 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;
- c. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation;
- d. 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;
- e. Subjects shall have a duty to co-operate with Investigator during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws;
- f. 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;
- g. 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;
- h. 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;
- i. The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure unless extended by the relevant authority.

### **13. PROTECTION OF WHISTLE BLOWER / INVESTIGATOR ETC.**

- a. 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 Blowers. 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/her 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.
- b. A Whistle Blower may report any violation of the above clause to the Chairman,/Managing Director/CEO/Whole-time Director/Chairman of the



Audit Committee as the case may be, who shall advise investigation into the same and recommend suitable action to the management.

- c. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).
- d. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

#### **14. INVESTIGATORS**

- a. 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.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review which establishes that:
  - i. the alleged act constitutes an improper or unethical activity or conduct, and
  - ii. 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.

#### **15. 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.

#### **16. DECISION**

Investigator along with its recommendations will report its findings to the Chairman/Managing Director/CEO/Chairman of the Audit Committee, as the case may be, within 15 days of receipt of report for further action as deemed fit. In case the Subject is Chairman / Managing Director or Chairman of Audit Committee, the report shall be made to the Audit Committee. In case prima facie case exists against the Subject, then the Investigator / Chairman /Managing Director / Chairman of Audit Committee 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 above decision shall be addressed to the Investigator/ Chairman of the Audit Committee, the Whistle Blower and the Subject.

In case the Subject is an Investigator, the protected disclosure shall be addressed to the Chairman / Managing Director who, after examining the protected disclosure shall forward the matter to the Chairman of the Audit Committee. The Chairman of 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 Chairman / Managing Director. After considering the report and recommendation as aforesaid, Chairman/Managing Director 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 addressed to the Investigator, Chairman of the Audit Committee, the Whistle Blower and the Subject.

In case the Subject is the Chairman/ Managing Director 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 the Protected Disclosure.

If the report of investigation is not to the satisfaction of the Whistle Blower, the Whistle Blower has the right to report the event to the appropriate legal or investigating agency.

A Whistle Blower who makes false allegations of unethical & improper practices or about wrongful conduct of the Subject shall be subject to appropriate action in accordance with the rules, procedures and policies of the Company.

## **17. REPORTING**

A report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee on a regular basis.

## **18. ACCESS TO REPORTS AND DOCUMENTS**

All reports and records associated with Protected Disclosures are considered confidential information and access will be restricted to the Whistle Blower and Investigator. Protected Disclosures and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.



## **19. RETENTION OF THE 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 five years.

## **20. COMMUNICATION**

A policy or any amendment thereto cannot be effective unless it is properly communicated to employees. Employees shall be informed through by posting on the website of the Company.

## **21. BOARD'S POWERS**

The Board of Directors of the Company is entitled to amend, suspend, review or rescind this policy at any time. Whilst best efforts have been made to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

## **22. 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.