

VIGIL MECHANISM (the Policy) of HSIIDC

1 Preface

- i) Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Powers) Rules, 2014, the Corporation is required to establish a Vigil Mechanism / Whistle Blower Policy for the Directors and Employees of the Corporation, to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Corporation's Code of Conduct. Such a vigil mechanism shall provide for adequate safeguards against victimization of Directors and Employees who avail of such mechanism.
- ii) Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and to full and accurate disclosures. The Corporation believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.
- iii) The purpose of this mechanism is to eliminate and help to prevent malpractices, to investigate and resolve complaints, take appropriate action to safeguard the interests of the Corporation and to ensure that any person making a complaint (referred to as "a whistleblower") is protected, while at the same time actively discouraging frivolous and insubstantial complaints. Corporation shall oversee the vigil mechanism through Audit 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.

2 Scope of Vigil Mechanism

All Directors and Employees of the Corporation are eligible to make 'protected disclosures' under the Policy in relation to matters concerning the Corporation.

3 Definitions

- i) **Act** means the Companies Act, 2013 with relevant rules; as amended from time to time;



- ii) **Audit Committee**” means a Committee constituted by the Board of Directors of the Corporation in accordance with the Companies Act, 2013;
- iii) **Board**” means the Board of Directors of the Corporation;
- iv) **Chief Vigilance Officer (CVO)** will be a person who will be authorised to receive all complaints under this Policy and ensuring the appropriate action.
- v) **“Corporation or HSIIDC”** means Haryana State Industrial & Infrastructure Development Corporation Limited.
- vi) **“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.
- vii) **“Directors”** means the Directors on the Board of the Corporation.
- viii) **“Employee”** means every employee on the permanent or temporary rolls of the Corporation.
- ix) **“Fraud”** in relation to affairs of a Corporation or anybody Corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the Corporation or its shareholders or its creditors or any other person, whether or not there is any **wrongful gain or wrongful loss.**
- x) **“Investigation 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.
- xi) **“Policy”** means the ‘Vigil Mechanism Policy’ as approved by the Board of the Corporation.
- xii) **“Protected Disclosure”** means any communication made in good faith by the whistle blower that discloses or demonstrates information that may indicate evidence towards unethical or improper activity.



- xiii) **“Vigil Committee”** means a committee comprising of Chief Vigilance Officer, Chief Financial Officer and Company Secretary of the Corporation.
- xiv) **“Whistle Blower”** means a person making a Protected Disclosure under this Policy. Whistle Blower or complainant could be any Director or any Employee of the Corporation.

4 Disclosure

The information on suspected wrongful conduct should be such information which is intended to cover serious concerns that could have a large impact on the Corporation such as actions that:

- i) Abuse of Authority
- ii) Breach of contract
- iii) Negligence causing substantial and specific danger to public health and safety
- iv) Manipulation of Corporation data/records
- v) Financial irregularities, including fraud, or suspected fraud
- vi) Criminal offence
- vii) Pilferation of confidential/propriety information
- viii) Deliberate violation of law/regulation
- ix) Wastage/misappropriation of Corporation funds/assets
- x) Breach of Code of Conduct
- xi) Any other unethical, biased, favoured, imprudent event

amount to serious improper conduct, including any kind of harassment (sexual or otherwise). The above list is only illustrative and should not be considered as exhaustive.

5 Investigation

- i) Whistle Blower can make protected disclosure as soon as possible after becoming aware of the suspected or actual frauds and embezzlement, illegal, unethical behavior or violation of code of conduct or ethics etc.
- ii) Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.
- iii) If initial enquiries by the Corporation indicate that the concern has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at



this stage and the basis for such dismissal will be recorded and such decision will be documented.

- iv) Where initial enquiries indicate that further investigation is necessary, this will be carried through further.

6 Documentation and Reporting

- i) Written report of the findings would be made. The record would include:
 - a) Facts of the Matter;
 - b) Whether the Protected Disclosure was raised previously by anyone or not, and if made, the outcome thereof;
 - c) Whether any Protected Disclosure was raised previously against the same Investigation subject;
 - d) The financial/ otherwise loss which has been incurred / would have been incurred by the Corporation;
 - e) The recommendations of the Vigil Committee on disciplinary/other action/(s).
- ii) The Chief Vigilance Officer (CVO) shall be the Nodal Officer for receiving the complaints and maintaining the record of all the complaints received under the Vigil Mechanism and shall put up all the complaints before the Vigil Committee on weekly basis.
- iii) The Vigil Committee shall prepare the report on finding and submit to the Managing Director, who shall discuss the matter & may:
 - a) In case the protected disclosure is proved, take such disciplinary action as the Managing Director may think fit and take preventive measures to avoid reoccurrence of the matter;
 - b) In case the protected disclosure is not proved, extinguish the matter and take note of the same;
 - c) Depending upon the seriousness of the matter, the Managing Director may refer the matter to the Audit Committee with proposed disciplinary action/countermeasures. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with its recommendations. The Board may decide the matter as it deems fit.
 - d) In case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand.
 - e) In exceptional cases, where the Whistle Blower feels victimised, he/she can have a direct access to the Chairman of the Audit Committee.



7 Protection

- i) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a protected disclosure under this Policy.
- ii) The Corporation, 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 of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior 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.
- iii) As a matter of general deterrence, the Corporation shall publicly inform employees of the penalties imposed and discipline of any person from misconduct arising from retaliation.
- iv) 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.
- v) The Corporation will take steps to remove difficulties if any, which the Whistle Blower may experience as a result of making the protected disclosure.
- vi) The identity of the Whistle Blower shall be kept confidential.
- vii) Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.
- viii) The Independent Directors shall ascertain and ensure that the Corporation has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

8 Disqualifications

- i) 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 against him.



- ii) 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 malafide intention.
- iii) Whistle Blowers, who make any protected disclosures, which have been subsequently found to be malafide, frivolous or malicious, shall be liable to be prosecuted.

9 Confidentiality

The complainant, Vigilance Officer, Members of Audit Committee, the Investigation Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

10 Reporting

A periodical report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee.

11 Retention of Documents

All protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

12 Amendment(s)

The Corporation 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 Directors and employees unless the same is communicated in the manner described as above.
