

**VIGIL MECHANISM (WHISTLEBLOWER) POLICY OF MeECL & SUBS.**

This policy is framed as per the provisions of Section 177 of the Companies Act, 2013 and rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.

**I. Object:**

This policy provides a mechanism to all the employees and Directors of the Corporations to report to the Chairman of the Audit Committee, about the genuine concerns like unethical behavior, actual or suspected fraud(s) or violation(s) of the Company's employees conduct regulations.

This policy intends to cover all the serious concerns that could have a substantial financial or otherwise impact on the business and/or goodwill of the Corporations and its stakeholders.

This policy also provides for adequate safeguards against victimization of employees who avail this mechanism.

**II. DEFINITIONS:**

The definitions of some of the key terms used in this Policy are given below.

- i) **Corporations:** the Meghalaya Energy Corporation Limited and of its three subsidiary companies i.e. Meghalaya Power Generation Corporation Ltd. (MePGCL), Meghalaya Power Distribution Corporation Ltd. (MePDCL) and Meghalaya Power Transmission Corporation Ltd. (MePTCL).
- ii) **Employee** means every employee of the corporation including part time and casual employees.
- iii) **Director** means Director of the Corporation appointed as per the relevant provisions of the Companies Act, 2013 and Articles of Association of the Company.
- iv) **Audit Committee** means the Audit Committee constituted by the Board of the Company in accordance with the provisions of section 177 of the Companies Act, 2013. The Audit Committee shall oversee the Vigil Mechanism of the Company.

- v) **Investigators** means those person(s) authorised, appointed, consulted or approached by the Chairman of the Audit Committee in connection with conducting investigation into a compliant and includes the auditors of the Company and the police.
- vi) **Compliant/Protected Disclosure** means a compliant or communication made in good faith made under this policy which discloses information which may be treated as evidence of unethical behaviour, actual or suspected fraud or violation of the MeSEB Employees conduct regulations, 1996, since adopted by the MeECL.
- vii) **Fraud** includes any act, omission, concealment of any act or abuse of position committed by any employee or with his connivance in any manner with intent to deceive, to gain undue advantage from, or to injure the interest of the Company or its employees.
- viii) **Unethical behaviour** includes actions such as the ones given below but not limited to:
  - i) Abuse of authority
  - ii) Action aimed at taking advantage of another without his knowledge or consent
  - iii) Financial irregularities
  - iv) Corruption, including bribery and money laundering
  - v) Disclosure of confidential/ proprietary information to unauthorised persons.
  - vi) Wastage / misappropriation of Company's funds/assets.
  - vii) Non-conformance to reasonable standard of social or professional behaviour
  - viii) fraudulent practices, such as improperly tampering with Company's books and records, or theft of company property;
  - ix) Any other biased, favoured or imprudent action.
- ix) **Subject** means a person against or in relation to whom a Compliant/Protected Disclosure has been made or evidence gathered during the course of an investigation.
- x) **Whistleblower** means any Director or employee making a complaint/Protected Disclosure under this Policy.

- xi) **Victimization** means punishment or discrimination against the whistleblower selectively or unfairly.
- xii) **Disciplinary action** means any action that can be taken on the completion of/during the investigation proceedings including but not limiting to warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit, considering the gravity of the matter.

### III. SCOPE

This policy is applicable to all the Directors, Employees including part time and casual employees of MeECL and of its three subsidiary companies i.e. MePGCL, MePDCL and MePTCL.

The Whistleblower'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.

Whistleblowers 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 Chairman of the Audit Committee or the Investigators.

### IV. REPORTING

All Complaints/Protected Disclosures should be addressed to the Chairman of the Audit Committee for investigation and should be sent in a closed/secured envelop, superscribed with 'Compliant/Protected Disclosure under the Whistle Blower Policy'. If the envelope is not closed/secured and not superscribed, then it may not be possible to protect the identity of the Whistleblower and the protected disclosure shall be dealt as Normal disclosure.

All protected disclosure shall be addressed to **Chairman of the Audit Committee of the respective Corporation, Lumjingshai, Short Round Road, Shillong – 793001, Meghalaya, India.**

Wherever any member of the Audit Committee has a conflict of interest; they should recuse themselves in a given case; and the other members on the Audit Committee would deal with the Compliant.

In order to protect the identity of the Whistleblower, no acknowledgment will be issued to him unless so desired expressly by the whistblower. The Whistleblower are advised to neither write their name/address on the envelop nor to enter into any correspondence with the Chairman of the Audit Committee in their own interest. If any further clarification is required, the whistleblower will be contacted.

If a protected disclosure is received by any employee or Director of the Company other than Chairman of the Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action.

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 in the regional language of the place of employment of the Whistleblower.

The Whistleblower should give his name, address, location, contact number and email address (if any) in attached letter so that the same can be concealed, while processing further.

The text of the Compliant should be carefully drafted so as not to give any details or clue as to the Whistleblower's identity. However, the details of the compliant should be specific and verifiable.

The Chairman of the Audit Committee shall detach the covering letter and forward only the compliant/Protected Disclosure to the Investigators for investigation.

Compliant/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.

Anonymous complaints will not be entertained as it would not be possible to interview the Whistleblowers.

## **V. SAFEGUARDS**

This policy aims to provide an avenue for employees to report genuine concerns or grievances with assurance that the complainant/Whistleblower will be provided with adequate safeguard and protection, if needed, from reprisals or victimization for whistle blowing in good faith.

No unfair treatment will be meted out to a Whistleblower by virtue of his 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 Whistleblowers.

Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower'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 Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence during proceedings, the Company will arrange for the Whistleblower to receive advice about the procedure, etc.

A Whistleblower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law.

This policy encourages the employees to disclose their names in the allegations which will help to take appropriate actions.

Protection under this policy would not mean protection against disciplinary action against out of false, motivated or vexatious compliant

If the Whistle blower is required to give evidence in disciplinary proceedings, then arrangements towards his travel etc. will be made, or expenses incurred by him in this connection will be reimbursed, as per his entitlement as per rules of the Corporation.

Any other Employee assisting in the said investigation or furnishing evidence, in respect of compliant, shall also be protected to the same extent as the Whistleblower.

## **VI. MALICIOUS ALLEGATIONS**

While it will be ensured that genuine Whistleblowers 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 Whistleblower knowing it to be false or bogus or with a mala fide intention.

Whistleblowers, whoever 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 Whistleblowers, the Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

This policy cannot be used as a defense for raising foul and false allegations against the management and co-workers.

## **VII. INVESTIGATION**

All Compliant/Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee who will investigate/oversee the investigations under the authorization of the Audit Committee.

### **A. PRELIMINARY INQUIRY**

On receipt of the protected disclosure the Chairman of the Audit Committee shall make a record of the protected disclosure and also ascertain whether he was the person who made the protected disclosure or not.

He shall also carry out the preliminary inquiry either by himself or by involving any other officer of the Company or an outside agency before initiating investigation 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.

If as a result of the preliminary inquiry, the Chairman of the Audit Committee is of opinion that the compliant requires further investigation, then the reasons for such determination shall be recorded in writing and necessary direction will be given to the Investigators for further investigation. However, if he is of opinion that there are no sufficient grounds for proceeding further on the compliant, it shall recommend closure of the matter before the Audit Committee and reasons for same will also be recorded in writing.

The preliminary inquiry shall ordinarily be completed within seven working days from the date of receipt of the compliant.

### **B. INVESTIGATION**

The decision to conduct an investigation taken by the Chairman of 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 Whistleblower 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 the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

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 and/or the Whistleblower. Subjects will not be entitled to any form of legal representation in form of advocate during investigation.

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.

Investigators after investigation shall submit report with the following recommendations to the Chairman of the Audit Committee:

- 1) Appropriate action to remedy the unethical behaviour, actual or suspected fraud or violation of the Company's general guidelines on conduct and ethics and/or to prevent their re-occurrence.
- 2) Appropriate disciplinary or corrective action against the subject by the competent authority.
- 3) Appropriate disciplinary action against the whistleblower by the competent authority, if the compliant is found to be false, motivated or vexatious.
- 4) If it is found that there are no sufficient grounds for proceeding further on the compliant, recommend the closure of the matter and filing of the compliant.
- 5) Any other action as deemed fit.

Subjects and the Whistleblower have the right to be informed of the outcome of the investigation.

The investigation shall be completed normally within 60 days from the date of the order of the investigation or such extended period as may be allowed for reasons to be recorded.

#### **VIII. 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.

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.

Investigators may require for the purpose of any investigation, any employee who in its opinion shall be able to furnish information or produce documents relevant to the investigation or assist in the investigation, to furnish any such information or produce any such document as may be necessary for the said purpose.

#### Role of Investigator

- a. A structured approach should be followed to ascertain the credibility of the charge.
- b. Ensure that the confidentiality and secrecy of the issue reported and subject is maintained.
- c. Provide timely update to the Chairman of the Audit Committee on the progress of the investigation.
- d. Ensure investigation is carried out in an independent and unbiased manner.
- e. Document the entire approach of the investigation.
- f. Investigation Report including the approach of investigation should be submitted to the Chairman of the Audit Committee with all the documents in support of the observation.

#### **IX. Decision**

If an investigation leads to the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, then he shall recommend to the Board of Directors to take such disciplinary or corrective action as he 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.

The final action taken on the compliant shall be conveyed to the whistleblower by the Chairman of the Audit Committee.

The Chairman of the Audit Committee shall submit a periodic report of the complaints received and the action taken thereon to the Audit Committee.

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 eight years.

**X. Grievance:**

If the Whistleblower feels aggrieved with the final action taken on his complaint or if he feels that protection, which he is entitled to has not been provided, then he may make a representation in writing of his grievance to the Chairman of the Audit Committee, who will take necessary action to redress the grievance.

**XI. Secrecy/Confidentiality**

The whistleblower, the subject, the authority and everyone involved in the process shall:

- a. Maintain complete confidentiality/secrecy of the matter;
- b. Not discuss the matter in any informal/social gathering/meetings;
- c. Discuss only to the extent or with persons required for the purpose of completing the process and investigation;
- d. Not keep the papers unattended anywhere at any time; and
- e. Keep the electronics mails/filed under password, pertaining to inquiry/investigation;

**XII. Criminal Activity:**

If there is evidence of criminal activity, the corporation will ensure that any internal investigation does not hinder a formal police investigation.

**XIII. Amendment**

This policy can be amended from time to time, if considered necessary, by the Board of Directors.

**XIV. Publication of policy**

This policy shall be disclosed on the website of corporation.