



GRSE WHISTLE BLOWER POLICY

1. PREFACE

- 1.1. Department of Public Enterprises (DPE) issued 'Guidelines on Corporate Governance for Public Sector Enterprises' which, *inter alia*, provide for the requirement of establishing a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected fraud, or violation of the Company's general guidelines on conduct or ethics Policy.
- 1.2. Section 177 (9) of the Companies Act, 2013 mandates every listed Company shall establish a 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. The vigil mechanism so established shall provide for adequate safeguards against victimisation of employees who avail of the mechanism and also provide a means for employees of the Company to approach Audit Committee of the Company in appropriate or exceptional cases.
- 1.3. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which *inter alia*, provides for a mandatory requirement for all listed companies to devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.
- 1.4. In view of the above, the GRSE Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees and other stakeholders to raise concerns of any violations of legal or regulatory requirements, suspected misconduct of anyone concerned with the Company to come forward and express their concerns without fear of punishment/ victimization or unfair treatment.
- 1.5. The Policy also provides necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse 'personnel' action against such employees. The main intent of the policy is to ensure that the Company continues to strive to the highest possible standards of Ethical, Moral and Legal Business Conduct and its commitment to open communications
- 1.6. The Company has framed and adopted Conduct, Discipline and Appeal rules, Service Rules and Standing Orders which govern the conduct of Management employees and workmen. The Vigilance department of the Company is also empowered to initiate investigations on its own and act on complaints received from public / employees, with regard to violation of Company's rules and procedures and code of ethics in the conduct of business.



2. OBJECTIVE

- 2.1. The objective of Whistle Blower Policy is to build and strengthen a culture of transparency and trust in the organization and to provide employees and other stakeholders with a framework / procedure for responsible and secure reporting of improper activities (whistle blowing) within the company and to protect employees wishing to raise a concern about improper activity / serious irregularities within the Company.
- 2.2. The vigil mechanism provides for adequate safeguards against victimization of employees and other stakeholders who avail of the mechanism and also provides for direct access to the Chairman of Audit Committee in appropriate or exceptional cases.
- 2.3. However, a disciplinary action against the Whistle Blower which occurs on account of poor job performance or misconduct by the Whistle Blower and which is independent of any disclosure made by the Whistle Blower, will not be protected under this policy.
- 2.4. For the sake of clarity, the Whistle Blower Policy does not in any manner to dilute the Vigilance mechanism in GRSE. In fact, over and above the existing Vigilance Mechanism, any 'Protected Disclosure' made by an employee under this policy, if perceived to have a vigilance angle, shall be referred as the Chief Vigilance Officer, GRSE as per the existing practice.

3. DEFINITIONS

- 3.1. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with provisions of the Companies Act, 2013, SEBI Listing Regulations, 2015, the DPE Guidelines and other statutory enactments.
- 3.2. **“Company”** or **“GRSE”** means Garden Reach Shipbuilders & Engineers Limited.
- 3.3. **“Competent Authority”** means the Chairman & Managing Director of GRSE, and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case the subject person is Chairman & Managing Director, then Chairman, Audit Committee will be the Competent Authority.
- 3.4. **“Employee”** means an employee as defined in the Conduct, Discipline and Appeal Rules, for Officers, non-unionised Supervisors, Office Assistants and Unionised employee of GRSE. The term employee shall also include functional directors of GRSE.
- 3.5. **“Improper Activity”** means any activity by an employee of the Company that is undertaken in performance of his or her official duty, whether or not that act is within the scope of his or her employment, and that is in violation of any law or the rules of conduct applicable to the employee, including but not limited to abuse of authority,



breach of contract, manipulation of company data, pilferage of confidential / proprietary information, criminal offence, corruption, bribery, theft, conversion or misuse of the Company's property, fraudulent claim, fraud or willful omission to perform the duty, or that is economically wasteful or involving gross misconduct, incompetence or gross inefficiency and any other unethical biased favoured or imprudent act.

Activities which have no nexus to the working of the Company and are purely of personal nature are specially excluded from the definition of Improper Activity.

- 3.6. **“Investigators”** means person authorised, appointed, consulted or approached by the Chairman & Managing Director / Competent Authority in connection with conducting investigation into a protected disclosure and include the auditors of the Company.
- 3.7. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may be treated as evidence of unethical or “Improper Activity”.
- 3.8. **“Screening Committee”** means any Committee constituted under Whistle Blower Policy of GRSE, comprising, the Chairman & Managing Director (C&MD) or in his/her absence, a Functional Director as nominated by C&MD and Chairman, Audit Committee or in his/her absence, a member of the Audit Committee as nominated by the Chairman, Audit Committee.
- 3.9. **“Service Rules”** means Conduct, Discipline and Appeal Rules, for Officers, Non-unionised Supervisors, Office Assistant and unionized employees of GRSE.
- 3.10. **“Subject”** means an employee against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 3.11. **“Whistle Blower”** means an Employee and other stakeholder making a Protected Disclosure under this policy.
- 3.12. **“Motivated Complaint”** means a complaint shall be deemed to be motivated if it is found to be deliberately false or motivated by revenge/ enmity/ mischief or extraneous considerations.

4. ELIGIBILITY

All employees and other stakeholders of the Company are eligible to make “Protected Disclosures”.

5. GUIDING PRINCIPLES

- 5.1. Protected Disclosures shall be acted upon in a time bound manner.
- 5.2. Complete confidentiality of the Whistle Blower will be maintained.



- 5.3. The Whistle Blower and/or the person(s) processing the Protected Disclosure will not be subjected to victimization.
- 5.4. Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.
- 5.5. “Subject” to the Protected Disclosure i.e. Employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.
- 5.6. The Whistle Blower should bring to attention of the Competent Authority at the earliest of any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.
- 5.7. The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.

6. WHISTLE BLOWER – ROLE & PROTECTION

Role

- 6.1. The Whistle Blower’s role is that of a reporting party with reliable information.
- 6.2. The Whistle Blower is not required or expected to conduct any investigation on his own.
- 6.3. The Whistle Blower may also be associated with the investigations, of the case to warrants. However, he shall not have a right to participate.
- 6.4. Protected Disclosure will be appropriately dealt with by the Competent Authority.
- 6.5. The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

Protections

- 6.6. Genuine Whistle Blowers will be accorded protection from any kind of harassment/ unfair treatment / victimization. However, motivated and frivolous disclosures shall be discouraged.
- 6.7. If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, arrangements will be made for the Whistle Blower to receive advice about the procedure. Expenses incurred by the Whistle Blower in connection with the above, towards travel, etc. will be reimbursed as per normal entitlements.
- 6.8. A Whistle Blower may report any violation of Clause 6.7 above to the Competent Authority who shall investigate into the same and take corrective action as may be required.



- 6.9. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

7. PROCEDURES – ESSENTIALS AND HANDLING OF PROTECTED DISCLOSURE

- 7.1. The Protected Disclosure/ Complaint should be attached to a letter bearing the identity of the whistle blower/ complainant i.e. his/her Name, Employee No. (in case of Employee) Designation and Address, and should be submitted in a secured/ sealed envelope addressed to the Competent Authority and should be super scribed “Protected Disclosure” (If the envelope is not super scribed and closed/ sealed/ secured, it will not be possible to provide protection to the whistle blower as specified under this policy).
- 7.2. The whistle blower may send his/her protected disclosure directly to the Chairman, Audit Committee, C/o. Company Secretary of GRSE.
- 7.3. Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 7.4. Protected Disclosure should either be typed or written in legible hand writing in any language listed in the constitution of India and should provide a clear understanding of the improper Activity involved or issue / concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant / information as possible to allow for preliminary review and proper assessment.
- 7.5. Investigations into any improper Activity which is the subject matter of an inquiry or order under the Public Servants’ Inquiries Act, 1850 or under the Commissions of inquiry Act, 1952 will not come under the purview of this policy.
- 7.6. The contact details for addressing a protected disclosure to the Chairman Audit Committee are as follows :
- Chairman, Audit Committee
C/o. Company Secretary
Garden Reach Shipbuilders & Engineers Limited
43/46, Garden Reach Road,
Kolkata – 700 024.
- 7.7. The Chairman Audit Committee shall mark the envelope containing the protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof and shall submit the same to the Screening Committee within 10 days.
- 7.8. The Screening Committee shall weed out frivolous / motivated complaints and the Protected Disclosure(s) / bonafied complaints which require further investigation shall be forwarded to the investigator(s) nominated for this purpose, through the Confidential Section.
- 7.9. The Screening Committee shall endeavour to meet as early as possible, preferably within 15 days of receipt of a protected Disclosure.



8. INVESTIGATIONS AND ROLE OF INVESTIGATORS

Investigation:

- 8.1. Investigations shall be launched, if the Screening Committee is satisfied after preliminary review that:
 - (a) The alleged act constitutes an improper or unethical activity or conduct, and
 - (b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter deserves investigation.
- 8.2. The decision taken by the Screening Committee to conduct an investigation is by itself not to be construed as an accusation and is to be treated as a neutral fact finding process.
- 8.3. The identity of the Subject(s) and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- 8.4. Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.
- 8.5. Subject(s) shall have a duty to co-operate with the investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 8.6. Subject(s) 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 Subject(s).
- 8.7. Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 8.8. The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
- 8.9. Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigator(s):

- 8.10. Investigator(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall have derived their authority from Competent Authority when acting within the course and scope of their investigation.



- 8.11. All Investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of professional standards.
- 8.12. The Investigator submitted their report to the Competent Authority and to the Chairman of the Audit Committee.

9. ACTION

- 9.1. If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable in law, the Competent Authority may direct the concerned authority to take disciplinary action under applicable statutory provisions including referring the matter to Chief Vigilance Officer of GRSE for appropriate action.
- 9.2. The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.
- 9.3. If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section.
- 9.4. If the competent authority is satisfied that the protected disclosures/complaint is false, motivated or vexatious, the competent authority may report the matter to concerned Disciplinary Authority for appropriate disciplinary action against the whistle blower.

10. GRIEVANCE

- 10.1. If the Whistle Blower feels aggrieved with the disposition of his or her Complaint or if the Whistle Blower or Subject feels that protection, which either of them is entitled to has not been provided or has been dis-regarded, the Whistle Blower or Subject as the case may be make a representation in writing of his or her grievance to the C&MD of the Company, who will take such action in the matter as he considers necessary to redress the grievance.
- 10.2. If the Whistle Blower or Subject feels aggrieved with the action taken by the C&MD of the Company on a representation made under Clause 10.1 above, he/she may make a representation in writing of his or her grievance to the Chairman, Audit Committee, who shall take or direct such action on the representation as he shall deem fit. The decision of the Chairman, Audit Committee shall be final and binding on the Whistle Blower and on the Subject(s).



11. REPORTING AND REVIEW

- 11.1. The Competent Authority shall submit a quarterly report of the protected disclosures, received and of the investigation conducted, and of the action taken report shall be submitted to the Audit Committee of the Board of Directors of the Company.
- 11.2. The Audit Committee shall have power to review any action or decision taken by the Competent Authority.

12. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented alongwith the results of Investigation relating thereto shall be retained by the company for a period of five years from the date of disposal of the case.

13. AMENDMENT TO THIS POLICY

The Board of Directors shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace Whistle Blower Policy entirely with a new Policy.

This Policy and any amendments thereto shall be available on the website of the Company www.grse.in.