WHISTLE BLOWER POLICY

THDC INDIA LIMITED

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PREAMBLE

In order to ensure transparency, ethical conduct and good Corporate Governance, this Whistle Blower Policy is formulated in compliance with the provisions of Section 177 of the Companies Act, 2013, read with the rules made thereunder and Regulation 62J of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to High Value Debt Listed Entities (HVDLE).

For ensuring higher level of transparency by CPSEs, the Government decided to make "Guidelines on Corporate Governance for CPSEs – 2010" mandatory and applicable to all CPSEs.

As per the Guidelines, subheading on the Whistle Blower Policy states *"The Company may establish a mechanism for employees to report to the management, concerns about unethical behaviour, actual or suspected fraud, or violation of the company's General Guidelines on conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. Once established, the existence of the mechanism may be appropriately communicated within the organization."*

Further, in the Annual Report of Companies, disclosures on Corporate Governance shall include *"Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee*."

The Guidelines, provide that the Role of Audit Committee shall include to review the functioning of the Whistle Blower Mechanism and the Powers of Audit Committee shall include protection of Whistle Blower.

WHISTLE BLOWER POLICY-THDC India Ltd.

1. Preface:

The Company believes in conducting its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. As such the Company endeavours to work against corruption in all its forms including demand and acceptance of illegal gratification and abuse of official position with a view to obtain pecuniary advantage for self or any other person.

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 deptt. 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.

Any actual or potential violation of the Company's rules, regulations and policy governing the conduct of business is a matter of serious concern for the Company. The Company is therefore committed to developing a culture where it is safe for employees to raise concerns about instances if any, where such rules, regulations and policy are not being followed or any fraud has been committed or business has been conducted in an unethical manner.

This Policy is framed in compliance with Regulation 62J of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to High Value Debt Listed Entities (HVDLE), and provides a mechanism for employees to report genuine concerns. The Policy ensures adequate safeguards against victimization of employees and provides for direct access to the Chairperson of the Audit Committee.

The objective of Whistle Blower Policy is to build and strengthen a culture of transparency and trust in the organization and to provide employees 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.

The policy does not absolve employees from their duty of confidentiality in the course of their work. It is also not a route for taking up personal grievances.

2. Definitions:

i) "**Compan**y" means THDC India Ltd.

ii) "**Competent Authority**" means the Chairman & Managing Director of THDCIL 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 of conflict of interest (CMD being the subject person), Competent Authority means Chairman – Audit Committee *and will include any one Member of the Audit Committee nominated by him.*

iii) **"Audit Committee"** means the Audit Committee of the Board constituted by the Board of Directors of THDCIL in accordance with Section 177 of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iv) **"Screening Committee"** means a Committee constituted under Whistle Blower Policy of THDCIL, comprising, the Chairman & Managing Director or in his absence, a Functional Director(**Executive Director if Functional Director is not in position**) as nominated by CMD and Chairman, Audit Committee or in his absence, a member of the Audit Committee as nominated by the Chairman, Audit Committee. Head of the confidential section shall be Member Secretary in the Screening Committee. In case of conflict of interest, where Chairman Audit Committee is the Competent Authority, he may choose any Member of the Audit committee in the Screening Committee. In such case, Company Secretary shall act as the Member Secretary.

v) **"Employee"** means every employee whose name appears on the rolls of the company which includes all Regular employees, Fixed Term employees and the functional Directors of the Company.

vi) "**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 wilful 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 specifically excluded from the definition of Improper Activity.

vii) "**Investigators"** mean those person(s) authorised, appointed, consulted, or approached by the Competent Authority/ the Chairman of Audit Committee in connection with conducting investigation into a Protected Disclosure/ complaint and includes the Chief Vigilance Officer, Employees and Auditors of the Company, external person(s) of eminence and the Police or such other law enforcement authorities.

viii) **"Investigative Machinery"** means any Department concerned with subject matter of complaint or Internal Vigilance Department.

ix) **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or "Improper Activity".

x) **"Service Rules"** means the Conduct, Discipline and Appeal rules and the applicable Standing Orders, as the case may be.

xi) **"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.

xii) **"Whistle Blower"** means an employee making a Protected Disclosure under this policy.

xiii) **"Confidential Section"** means section assigned with the responsibility of handling Disciplinary Matters duly designated and approved by the Competent Authority.

3. Eligibility:

All Employees of the Company are eligible to make "Protected Disclosures" under the Policy.

4. Guiding Principles:

i) Protected disclosures are acted upon in a time bound manner.

ii) Complete confidentiality of the Whistle Blower is maintained.

iii) The Whistle Blower and / or the person(s) processing the Protected Disclosures are not subjected to victimization.

iv) Evidence of the Protected Disclosure is not concealed and appropriate action including disciplinary action is taken in case of attempts to conceal or destroy evidence.

v) Subject of the Protected Disclosure i.e. person against or in relation to whom a protected disclosure has been made, is provided an opportunity of being heard.

5. Whistle Blower – Role & Disqualifications:

A) Role

i) The Whistle Blower's role is that of a reporting party with reliable information.

ii) The Whistle Blower is not required or expected to conduct any investigations on his own.

iii) The Whistle Blower does not have any right to participate in investigations.

iv) Protected Disclosure will be appropriately dealt with by the Competent Authority.

v) The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons on his written request.

B) Disqualifications

i) Genuine Whistle Blowers will be accorded protection from any kind of unfair treatment / victimization. However, any abuse of this protection will warrant disciplinary action against him.

ii) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be motivated or malafide or malicious or frivolous, baseless or reported otherwise than in good faith, will be liable for disciplinary action as per the applicable Service Rules.

iii) Whistle Blowers, who make three Protected Disclosures, which have been subsequently found to be malafide, frivolous, baseless, malicious or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosure under this policy.

6. Procedures - Essentials and handling of Protected Disclosure:

i) The Protected Disclosure/Complaint should be submitted under a covering letter signed by the Whistle Blower in a closed and secured envelope and should be super-scribed as “Protected Disclosure under the Whistle Blower Policy” and addressed to:

“The Chairman & Managing Director,
Ganga Bhawan, Pragatipuram, Bypass Road,
Rishikesh, Uttarakhand-249201”

Disclosure/Complaint can also be sent through email from an online portal having address: ‘thdc.co.in/en/form/whistle-blower-complaint’ to a dedicated mailbox **‘whistleblower@thdc.co.in’** with the caption/ subject as “Protected Disclosure under the Whistle Blower policy”.

ii) The Protected Disclosure / Complaint should bear the identity of the whistle blower / complainant i.e. his/her Name, Contact no. and address for communication.

iii) If the Whistle Blower believes that there is a conflict of interest between the whistle blower and the CMD or any of the Directors of the company, he may send his protected disclosure directly to the Chairman, Audit Committee of the Board of Directors of the Company C/o the Company Secretary or mail it to **‘wbac@thdc.co.in’** with the caption/subject as “Protected Disclosure under the Whistle Blower Policy” Or in Hard Copy to:

“Chairman, Audit Committee
C/o Company Secretary,
THDC INDIA LIMITED
Ganga Bhawan, Pragati Puram
By-pass Road, Rishikesh-249201”

In such cases, Company Secretary shall be the Co-ordinator till the final disposal of the case.

iv) Anonymous or pseudonymous protected disclosure shall not be entertained.

v) Protected Disclosure should either be typed or written in legible handwriting in English, Hindi or Regional language of the place of employment of the whistle blower and should provide a clear understanding of the Improper Activity involved or issue / concern raised.

vi) 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 assist for proper assessment of the nature and extent of the wrongdoing and should help in investigation.

vii) In order to protect identify of the person, Competent Authority will not issue any acknowledgment and the whistle blowers are advised not to enter into any further correspondence.

viii) The Competent Authority shall mark the envelope containing the Protected Disclosure to a dedicated Confidential Section, which shall hide the identity of the complainant and maintain a record thereof and shall submit the same to the Screening Committee.

ix) The Confidential Section shall ensure that all relevant records, documents and other evidence are immediately taken into custody and being protected from being tampered with, destroyed, or removed by suspected perpetrators of fraud or by any other official under his influence.

x) The Confidential Section shall register all protected disclosures received under this policy and shall retain the records along with the results of Investigation and action taken thereon, for a period of minimum 05 years.

7. Role of Screening Committee, Investigators & Investigations:

A) Role of Screening Committee :

i) The Screening Committee shall receive disclosures/complaints from Confidential Section and hide the identity of the complainant. The Screening committee shall preliminarily examine the disclosure/complaint and weed out frivolous complaints and the Protected Disclosure(s) which require further investigation shall be forwarded to the investigator(s) nominated for this purpose, through the Confidential Section.

ii) The Screening Committee, on finding the disclosure/report of fraud to be improper shall reject the complaint. Reason for rejection thereof will be included in the Quarterly Audit Committee Report by confidential section.

iii) The Screening Committee shall endeavor to meet as early as possible, preferably not exceeding 10 days of receipt of a Protected Disclosure from Confidential Section unless it is of urgent nature requiring immediate action.

B) Role of Investigative Machinery/Investigators/vigilance department :

i) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit their report to the Competent Authority.

ii) At every stage/step, from receiving of disclosure/complaint to outcome of investigation, utmost effort shall be made to protect the identity of the complainant/Whistle Blower.

iii) All Investigators shall perform their role in an independent and unbiased manner Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of professional standards.

C) Investigation:

i) Investigations shall be launched only after review of Screening Committee findings by the Competent Authority which establishes 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.

ii) If the Competent Authority determines that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.

iii) If the Competent Authority is prima facie satisfied that the Protected Disclosure warrants investigation of the alleged improper activity, Competent Authority will direct appropriate investigating machinery of the Company to investigate the matter.

iv) The decision to conduct an investigation taken by the Competent Authority is by itself not to be construed as an accusation and is to be treated as a neutral fact- finding process.

v) 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.

vi) 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.

vii) 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.

viii) 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).

ix) 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 wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

x) Subject(s) have a right to be informed of the outcome of the investigation.

xi) 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. Protection

i) The identity of the Whistle Blower shall be kept confidential.

ii) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.

iii) Complete protection will 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 duties / functions including making further Protected Disclosure.

iv) 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.

v) A Whistle Blower may report any violation of the above clause to the Competent Authority who shall investigate into the same and take corrective action as may be required.

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

vii) Whistle Blower shall have direct access to the Chairman, Audit Committee against victimization.

9. Action

i) If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which warrants disciplinary action against the subject employee(s), the Competent Authority shall report the matter to the concerned Disciplinary Authority for appropriate disciplinary action.

ii) The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure or to prevent the re-occurrence of such improper activity.

iii) If the Competent Authority is of opinion that the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section. Recording should be incorporated in the Quarterly Report to be submitted to Audit Committee.

iv) If the Competent Authority is satisfied that the protected disclosure is false, motivated or vexatious, the Competent Authority may report the matter to the concerned Disciplinary Authority for appropriate disciplinary action against the whistle blower with a copy to Chairman, Audit Committee for information.

10. Reporting and Review

i) The Confidential Section, after approval of competent authority, shall submit quarterly report of the protected disclosures, received, investigated and action taken to the Company Secretary for onward submission to the Chairman of Audit Committee of the Board of Directors of the Company.

ii) The Audit Committee shall have power to review any action or decision taken by the Competent Authority.

11. Retention of documents:

All Protected Disclosures in writing or documented along with the results of Investigation relating thereto shall be retained by the company for a period of five years.

12. Affirmation

The Company shall annually affirm that it has not denied any employee access to the Audit Committee and that it has provided protection to the Whistle Blower from adverse action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

13. Amendments

The CMD shall be the Competent Authority for interpretation and revision of the policy.