



# **WHISTLE BLOWER POLICY**



**टीएचडीसी इण्डिया लिमिटेड**  
**THDC INDIA LIMITED**



# THDC INDIA LIMITED

## WHISTLE BLOWER POLICY

### 1. Preamble:

- 1.1 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*.

- 1.2 This policy is formulated to facilitate highest possible standards of ethical, moral and legal business conduct in the Company.

1.3 The objective of the Policy is to

- provide opportunity to employees to access in good faith, to the Management or in exceptional cases, to the Chairman of the Audit Committee, in case they observe unethical and improper practices or any other wrongful conduct in the Company.
- provide necessary safeguards for protection of employees from victimization, for whistle blowing in good faith
- prohibit managerial personnel from taking any adverse personnel action against those employees.



- 1.4 The policy neither releases employees from their duty of confidentiality in the course of their work, nor it is a route for taking up a grievance about a personal situation.
- 1.5 An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct to the Competent Authority shall be subject to disciplinary action, up to and including termination of employment, in accordance with Service Rules and procedures.

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, shall not be protected under this policy.

This policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of intimation by him and for legitimate reasons or cause under Company rules and policies

- 1.6 For the sake of absolute clarity, it is specified that the Whistle Blower Policy does not tantamount in any manner to dilution of the Vigilance mechanism in the Company. Rather, 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 to the Chief Vigilance Officer, THDCIL, as per the existing practice.

## 2. Definitions:

- 2.1 **“THDCIL” or Company** means THDC India Limited.
- 2.2 **“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.*
- 2.3 **“Audit Committee”** means the Audit Committee of the Board constituted by the Board of Directors of THDCIL in accordance with Section 292A of the Companies Act, 1956.
- 2.4 **"Managerial personnel"** shall include director, executive director, general manager, department head, superior or other employee who has authority to make or materially influence significant personnel decisions.
- 2.5 **“Employee”** means an employee as defined in the THDCIL– 'Conduct, Discipline and Appeal Rules, 1990' and 'Standing Orders 2006' as amended from time to time.



- 2.6 “Improper Activity”** means unethical behaviour, actual or suspected fraud or violation of the company’s general guidelines on conduct or ethics policy by any employee of THDCIL.
- 2.7 “Investigators”** mean those persons *within or outside the Company* authorized, 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 THDCIL. *A panel of investigators comprising of experts in the field of finance, technical, administration, audit etc. shall be constituted separately and the fee payable towards investigations shall be separately fixed keeping in view the level and experience of the experts.*
- 2.8 “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”.
- 2.9 “Screening Committee”** means a Committee constituted under Whistle Blower Policy of THDCIL, comprising, the Chairman & Managing Director or in his absence, a Functional Director 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.*
- 2.10 “Service Rules”** means the THDCIL–Conduct, Discipline and Appeal Rules, 1990 and 'Standing Orders 2006' as amended from time to time.
- 2.11 “Subject”** means an employee - officer / staff against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- 2.12 “Whistle Blower”** means an Employee making a Protected Disclosure under this policy.
- 2.13 "Good Faith"**
- An employee shall be deemed to be communicating in `good faith` if there is a reasonable basis for communication of unethical & improper practices or any other alleged wrongful conduct. Good faith shall be deemed lacking when the employee does not have personnel knowledge of a factual basis for the communication or where the employee knew or reasonably should have known the communication about unethical & improper practices or alleged wrongful conduct is malicious, false or frivolous.

### **3. Eligibility**

All employees of THDCIL are eligible to make “Protected Disclosures”.



#### **4. Guiding Principles**

- 4.1 Protected disclosures shall be concluded in a time bound manner *not exceeding 90 days or the extended period as approved by the Competent Authority with reasons to be recorded.*
- 4.2 Complete confidentiality of the Whistle Blower will be maintained.
- 4.3 The Whistle Blower and / or the person(s) processing the Protected Disclosure will not be subjected to victimization.
- 4.4 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.
- 4.5 'Subject' of 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.
- 4.6 The Whistle Blower should bring to attention of the Competent Authority at the earliest any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.
- 4.7 The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.

#### **5. Whistle Blower – Role & Protections**

##### **Role:**

- 5.1 The Whistle Blower's role is that of a reporting party with reliable information.
- 5.2 The Whistle Blower is not required or expected to conduct any investigations on his own.
- 5.3 The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he shall not have a right to participate.
- 5.4 Protected Disclosure will be appropriately dealt with by the Competent Authority.
- 5.5 The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

## **Protections:**

- 5.6 Genuine Whistle Blowers will be accorded protection from any kind of harassment /unfair treatment / victimization. However, motivated and frivolous disclosures shall be discouraged.
- 5.7 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.
- 5.8 A Whistle Blower may report any violation of clause 5.7 above to the Competent Authority who shall investigate into the same and take corrective action as may be required.
- 5.9 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **6. Procedures – Essentials and Handling of Protected Disclosure:**

- 6.1 The text of the complaint should be carefully drafted so as not to give any details or clue as to his/her identity. However, the details of complaint should be specific and verifiable. The Protected Disclosure / Complaint should be attached to a letter bearing the identity of the whistle blower / complainant i.e. his/her Name, Employee Number and Location, and should be inserted in an envelope which should be **closed / secured / sealed**. The envelope thus secured / sealed should be addressed to the Competent Authority and should be super scribed "**Protected Disclosure**". (If the envelope is not super scribed and not closed /sealed / secured, it will not be possible to provide protection to the whistle blower as specified under this policy).
- 6.2 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the whistle blower, he may send his protected disclosure directly to the Audit Committee, c/o the Company Secretary, THDCIL. *In such case, Company Secretary shall be the Coordinator till the final disposal of the case.*
- 6.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- 6.4 Protected Disclosure should either be typed or written in legible hand writing in English or Hindi 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.



**6.5** 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.

**6.6** The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:

The Chairman & Managing Director,  
Competent Authority,  
Whistle Blower Mechanism  
THDC INDIA LIMITED  
Ganga Bhawan  
Pragati Puram  
By-pass Road  
Rishikesh-249201

**6.7** The contact details for addressing a protected disclosure to the Chairman Audit Committee are as follows:

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

**6.8** The Competent Authority 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.

**6.9** The Screening Committee shall 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.

**6.10** The Screening Committee shall endeavour to meet as early as possible, preferably *not exceeding 30 days* of receipt of a Protected Disclosure *unless it is of urgent nature requiring immediate action*.





## **7. Investigations and Role of Investigators:**

### **Investigation:**

- 7.1** Investigations shall be launched if the Screening Committee is satisfied after preliminary review that:
- (a) Report from the Whistle Blower is ascertained confidentially for authenticity of the complainant i.e it is not a pseudonymous complaint.
  - (b) The alleged act constitutes an improper or unethical activity or conduct, and
  - (c) 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.
- 7.2** 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.
- 7.3** The identity of the Subject(s) and the Whistle Blower will be kept confidential.
- 7.4** 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.
- 7.5** 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.
- 7.6** 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).
- 7.7** 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 wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8** 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.





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

**Role of Investigator(s):**

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

**7.11** 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.

**8. Action**

**8.1** 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 THDCIL for appropriate action.

**8.2** 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.

**8.3** If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section.

**9. Reporting and Review**

A quarterly report of the *number of* protected disclosures, received, investigation conducted and action taken shall be submitted to the Audit Committee for review.

**10. Notification**

All Project Heads / Departmental Heads etc. are required to notify & communicate the existence and contents of this policy to the employees of their Unit/Department. The Whistle Blower Policy shall be circulated to all recognized unions. This policy, including amendments thereof, shall also be made available on the Company's web site.



## 11. 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.

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### Authority:

1. THDC/RKSH/CS/F-131/1915 dated 23.05.2011

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