

IRCON INTERNATIONAL LIMITED

WHISTLE BLOWER POLICY*

1. Objective:

- 1.1 To establish a mechanism for Employees and Directors of the Company to report to the Management, concerns about unethical behaviour, actual or suspected fraud, or violation of the company's Code of Conduct or ethics policy.
- 1.2 To provide necessary safeguards against victimisation of Employees and Directors who avail of the mechanism.

2. Definitions:

- 2.1 '**Audit Committee**' means the Committee of Board of Directors of the Company constituted as per the SEBI (LODR) Regulations and the Companies Act, 2013.
- 2.2 '**Company**' means Ircon International Limited (Ircon).
- 2.3 '**Competent Authority**' means "the Chairman & Managing Director of the Company, Chairman/ Audit Committee, Vigilance Directorate, Ministry of Railways and CVO/ Ircon as the case may be.
- 2.4 '**Employee**' means a person in the employment of the Company (whether working in India or abroad) and includes a person on deputation to/ from the Company.
- 2.5 '**Fraud**' includes any act, omission, concealment of any fact 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 interests of the Company or its employees.
- 2.6 "**Good Faith**" means complainant shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of fraud or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the complainant does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the fraud or alleged wrongful conduct is malicious, false or frivolous.
- 2.7 '**Investigator(s)**' means a person(s) / Committee thereof authorized, appointed, consulted or approached by the Competent Authority/ Chairman, Audit Committee in

connection with conducting investigation into a complaint and includes the Auditors of the Company.

- 2.8 **“Policy”** means Whistle Blower Policy of Ircon.
- 2.9 **‘Victimization’** means punishment or discrimination against the Whistle Blower selectively or unfairly for making a complaint in good faith.
- 2.10 **‘Whistle Blower’** means anyone who has made a complaint/ protected disclosure under this policy and also referred to in this policy as complainant.

3. **Provisions/ Guidelines related to Whistle Blower Policy (“the Policy”)**

3.1 **DPE guidelines on Corporate Governance for CPSE: (Para 10)**

The Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises vide OM dated 14.05.2010 inter-alia provide for establishment of 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, in the report on Corporate Governance in the Annual Report of the Company.

3.2 **Companies Act, 2013: [Section Section 177(9) and (10)]**

(9) Every listed company or such class of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.

(10) The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:

Provided that the details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board’s report.

3.3 **Listing Regulations: [Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)]**

Provides as a mandatory requirement for all listed companies to establish a Whistle Blower Policy for Directors and employees to report genuine concerns.

4. **Applicability**

This policy shall be applicable to all Directors, Employees of the Company whether regular, temporary, ad hoc, contract basis, including trainees on probation.

5. **Coverage:**

5.1 For all matters connected with the business activities of the Company.

5.2 The Policy also covers malpractices and events which have taken place/ suspected to take place involving:

- Abuse of authority
- Breach of contract
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of company data/records
- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- Any unlawful act whether Criminal/ Civil
- Pilferation of confidential/propriety information
- Deliberate violation of law/regulation
- Wastage/misappropriation of company funds/assets
- Breach of Company Policy or failure to implement or comply with any approved Company Policy

Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

6. **Main Features:**

The 'Whistle blower policy' is being introduced: -

6.1 To provide to all those covered under Para 3 an avenue to come forward and report or complaint when he/she observes in and around the work place or in relation to their work any unethical or improper practices covered under sub-para 1.1.

6.2 To provide necessary confidence about raising a concern and to provide a system to approach the Management of the Company in relation to any of the improper practices listed in sub-para 1.1 without necessarily informing his/her supervisors/superiors.

6.3 To protect the identity of the complainant.

7. **Complainant:**

An Employee and Director of the Company making a disclosure under this policy is commonly referred to as a complainant (Whistleblower). The Complainant's role is of a reporting party, he/she is not an investigator. Although the Complainant is not expected to provide the proof of veracity of allegations, the complainant will be required to demonstrate that there exist sufficient grounds for the complaint.

8. **Whistle Blower Protection & Confidentiality:**

a. Confidentiality: Every effort will be made within parameters of legal constraints to protect the Complainant's identity.

b. **Ownership of Complaint:**

Complainant(s) will be obliged to put their names to their complaints and allegations made therein as investigation may not be possible unless the source of the information is identified. Anonymous/pseudo anonymous or frivolous complaint, if not supported by the relevant evidence may not be investigated under this policy.

c. **Malicious Allegations:**

Complaint or Allegations by any Complainant arising from malicious intent may result in disciplinary/ penal action against such complainant, without prejudice to other legal remedies.

d. **Harassment or Victimization:**

Harassment or victimization of the Complainant raising a genuine concern by any employee of the Company may constitute sufficient grounds for action under Discipline and Appeal Rules (DAR) against such errant employee involved in harassment or victimization of the complainant.

e. **Complaint made in Good Faith:**

If one raises a concern under this Policy, complainant will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like 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/her duties/functions including making further complaint, as a result of reporting under this Policy. The protection is available provided that:

- The communication/ disclosure is made in good faith
- He/ She reasonably believes that information, and any allegations contained in it, are substantially true; and
- He/ She is not acting for personal gain

However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

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

9. **Procedure:**

9.1 Complaints under this policy shall be addressed to the Chairman and Managing Director of the Company or in exceptional cases i.e. in respect of complaint against officer of E-9 grade, or where complainant apprehends victimisation, to the Chairman of the Audit Committee.

9.2 Complaints against the Board Level Executives shall be made to the Vigilance Directorate of the Ministry of Railways, Government of India, for further processing

9.3 If, the Audit Committee of the Company is not in place due to any reason, then the CMD will nominate one of the Directors to discharge the functions of the Chairman, Audit Committee, under this policy.

9.4 Company shall publicise that a complaint under this policy shall comply with the following requirements.

- i. The complaint shall be in a sealed envelope which shall be contained in another sealed envelope.
- ii. It should be addressed to CMD/IRCON or to Chairman/Audit Committee as the case may be and shall be superscribed "Complaint under Whistle Blower Policy". If the envelope is not superscribed and sealed, it will not be possible for the Company to protect the identity of complainant under the above policy and the complaint will be dealt with as is normally done.

- iii. There will be exclusive letter boxes for the complaints under this policy in the Corporate Office of IRCON duly locked with its key remaining with CMD and Chairman/Audit Committee. The complaint so received superscribed as “Complaint under Whistle Blower Policy” shall be put in the box for confidentiality.
- iv. The Complaint should preferable be made in Hindi or English.
- v. The Complaint should either be typed or written in legible handwriting and should provide a clear understanding of 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.
- vi. The complainant should give his/her name, address, contact number(s) and e-mail address in the beginning or at the end of the complaint and each page of the complaint shall be initialled.
- vii. In order to protect the identity of person, the Company will not issue any acknowledgment and the whistle-blowers are advised not to enter into any further correspondence with the company in their own interest. The Company assures that, subject to the facts of the case being verifiable; it will take the necessary action on the complaint.
- viii. The Company shall also provide web based complaint registration, in which the complainant can directly complain to CMD or the Chairman/ Audit Committee, as the case may be, through a ‘link of Whistle Blower Complaint management on its website’. The complaint so lodged shall only be accessed by CMD or the Chairman/ Audit Committee, use against their passwords. However, the complainants need to provide all verifiable facts through the system only.
- ix. Anonymous or pseudonymous complaints shall not be entertained.

10. Handling of Whistle Blower Complaints, Investigation and Action thereon:

All complaints so received under this policy from time to time, shall be dealt by the Competent Authority as under:

- i. The Competent Authority, shall upon receipt of the complaint, ascertain from the complaint, whether he was the person who made the complaint or not.

- ii. The Competent Authority upon receipt of the complaint may make discreet inquiry to ascertain whether there is any basis for proceeding further to investigate the complaint.
- iii. If the Competent Authority, as a result of the discreet inquiry or otherwise, is of the opinion that the complaint requires further investigation, may nominate an officer or more officers or a committee thereof for looking into the complaint or if necessary ask CVO to investigate [(hereinafter called 'the Investigator(s))].
- iv. If the Competent Authority is of the opinion that there are no sufficient grounds for proceeding further on the complaint, it shall recommend closure of the matter and filing of the complaint.
- v. The Investigator(s) may require, for the purpose of any investigation any employee(s) 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.
- vi. If the investigator(s), as a result of the investigation, are of the opinion that the complaint discloses the existence of unethical behaviour, actual or suspected fraud, or violation of the Company's general guidelines on conduct and ethics, they may make any of the following recommendations:
 - a) 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.
 - b) Appropriate disciplinary action against the concerned person by his Disciplinary Authority if the complaint prima-facie discloses as act of omission and commission which amounts to misconduct under Ircon Conduct, Discipline and Appeal Rules, 1981 as amended.
 - c) Any other action as deemed fit.
- vii. If the complaint is found to be false, motivated or vexatious the Investigator(s) shall recommend appropriate disciplinary action against Whistle Blower by his Disciplinary Authority.

- viii. If it is found that there are no sufficient grounds for proceeding further on the complaint, the Investigator(s) shall recommend closure of the matter and filing of the complaint.
- ix. The Investigator(s) shall, submit their recommendations to the Competent Authority ordinarily within two months from the date of receipt of the complaint.
- x. If the Competent Authority agrees with the recommendations of the Investigator(s), he shall take further action on the complaint as per the recommendations. If, however, the Competent Authority does not agree with the recommendations of the Investigator(s), he shall take such action, as deemed fit.
- xi. The authority/ Investigator, to whom the complaint is sent for taking action, will inform the Competent Authority of the final action taken. Competent Authority shall also be updated on the status of the complaint from time to time.
- xii. The final action taken on the complaint shall be conveyed to the Whistle Blower by the Competent Authority, ordinarily, within six months from the date of receipt of complaint. If, however, final action has not been taken within this period, then an interim intimation on the status of the complaint will be sent to the Whistle Blower.
- xiii. Investigator(s) if needs any further information/ clarification from the Whistle Blower shall request the Competent Authority to obtain the same, who will contact the Whistle Blower for obtaining such information/ clarification.

11. **Reporting:**

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

12. **Accountability of the Complainant:**

- a. While bringing to attention of the Company, any improper practice they have become aware of, the complainant must indicate the sufficient cause for the complaint. Complaint should not be based on conjecture or hearsay.

- b. The complainant is expected to be cooperative with investigating authorities, maintaining full confidentiality.
- c. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for frivolous complaints, malicious allegations by Employees and Directors. Any such action may attract disciplinary action.

13. **Amendment**

The Board of Directors may review or amend this policy, in whole or in part, from time to time as per the requirement of the Act or any other statute.
