

## **Whistleblower Policy**

### **1.0 Background**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a non-mandatory requirement for all listed companies to establish 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 code of conduct or ethics policy.

*'Whistleblowing' is the confidential disclosure by an individual of any concern encountered in the workplace relating to a perceived wrongdoing.*

The Whistleblower's role is that of a reporting party with reliable information. Protected Disclosure will be appropriately dealt by Audit Committee, as the case may be.

The terms such as 'Company', 'Audit Committee' and 'Board of Directors' refer to the relevant Company, Committee or Board of the Group Company adopting the policy, unless specified. The definitions of some key terms used in this Policy are mentioned below:

- A. "Audit Committee" means the Committee constituted by the Board of Directors of the Company in accordance with the Companies Act and read with Clause 49 of the Listing Agreement with the Stock Exchange.
- B. "Employee" means every employee of the Company, including the whole time Directors of the Company.

- C. “Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- D. “Whistleblower” means any Employee making a Protected Disclosure under this Policy.
- E. “Ombudsperson” or “Nodal Officer” for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

## **2.0 Policy Objective**

The policy has been framed to enforce controls so as to provide a system of detection, reporting, prevention and appropriate dealing of issues relating to fraud, unethical behavior etc. The policy aims to ensure that:-

- A. Management is aware of its responsibility for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. The Management is to ensure that procedures and systems exist in the Corporation which minimize the incidence of, and opportunity for fraud and irregularities.
- B. Any fraud / unethical issue that are detected or suspected must be reported immediately to the designated authority for the purpose of co-ordination of preliminary investigation.
- C. To encourage all employees to feel confident in raising concerns and to question and act upon concerns about practice.
- D. To ensure that an employee receives a response to his concerns and that the employee is aware of how to pursue them if he/she is not satisfied.

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### **3.0 Types of Concern**

- A. Forgery or alteration of any document or account belonging to the Company.
- B. Sexual or physical abuse
- C. Willful suppression of facts/ deception in matters of appointments, placements, tender committee recommendations, entity and project appraisal, submission of reports, etc. as a result of which a wrongful gain(s) is made to one and /or wrongful loss(s) is caused to the others.
- D. Utilizing Company assets/ funds/ services for personal purposes other than those which have specifically provided for personal purposes.
- E. Authorizing or receiving payments for goods not supplied or services not rendered.
- F. Destruction, disposition, removal of records or any other assets of the Corporation with an ulterior motive to manipulate and misrepresent the facts so as to create suspicion/ suppression/ cheating as a result of which objective assessment/ decision would not be arrived at.
- G. Impropriety in the handling or reporting of money or financial transactions.
- H. Profiteering as a result of insider knowledge of company activities.
- I. Disclosing confidential and proprietary information to outside parties.
- J. Accepting or seeking anything of material value from contractors, vendors, lenders, borrowers and persons providing services/ materials to the company in contravention of Company's Conduct, Discipline and Appeal Rules.

- K. Conduct which is an offence or a breach of law.
- L. Other unethical conduct like gross misconduct, general malpractices etc

The Competent Authority will not tolerate any harassment or victimization (including informal pressures) and will take appropriate action.

#### **4.0 Confidentiality**

All concerns will be treated in confidence and every effort will be made not to reveal the Whistleblower's identity. At the appropriate time, however, the Whistleblower might need to come forward as a witness.

Please note that:

- A. An employee must believe the disclosure of information is in the interest of the Company / its stakeholders / public.
- B. Staff must not act maliciously or make false allegations.
- C. Staff must not seek any personal gain.

#### **5.0 Voicing Concerns**

**5.1** This essentially means that boards expect their internal audit functions to identify issues before they become a major problem for the company.

**5.2** They expect internal auditors to take appropriate actions to mitigate them and provide assurance that they pose no immediate or serious danger.

**5.3** The Ombudsperson / Nodal officer shall be nominated by the Chairman of the Audit Committee. The Company may adopt either of the following two alternatives for addressing the whistleblower issues:

- I. Alternative-1

1. Whistleblower should give the detailed report/complaint to the Ombudsperson / Nodal officer.
2. Report/Complaint would then be screened by the Nodal officer who would forward the report/complaint to the Chairman of Audit Committee. Report/Complaint would finally be reviewed by the Chairman of Audit Committee.
3. All complaints would be recorded regardless of the context it held.
4. Nodal officer would apprise the Audit committee on regular intervals about all the complaints received.
5. If the whistleblower believes that there is a conflict of interest between the Nodal Officer/Ombudsman and the whistle blower, he/she may send his protected disclosure directly to the Chairman, Audit Committee.
6. The report shall first be forwarded to the Chairman of Audit Committee by the ombudsperson. On submission of report, the Audit Committee Chairman may discuss the matter with Ombudsperson who shall on advice of the Chairman, may refer the matter before the Audit Committee and/ or Board (the option to forward it to Audit Committee or Board shall be suggested by the Audit Committee Chairman) with his / her recommendations. The Audit Committee and/ or the Board shall decide on the matter.

## II. Alternative-2

1. A “Whistle Blower Committee” may be constituted consisting of senior officials to conduct an investigation in the matters of protected disclosure received by company.

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2. A report shall be prepared after completion of investigation and shall be submitted along with recommendations to the Managing Director for action, after providing reasonable opportunity of being heard to all associated individuals.
  3. It is further proposed that the protected disclosures be addressed to the ombudsperson / nodal officer nominated.
  4. The protected disclosure against the ombudsperson / nodal officer should be addressed to the Managing Director & CEO of the Company
  5. The Protected Disclosure against the Managing Director & CEO should be addressed to the Chairman of the Audit Committee.
  6. All complaints would be recorded regardless of the context it held.

**5.4** In case the disclosure made by the whistleblower found to be malafide, frivolous, baseless then the disclosure would not be entertained. Details of the complaints would be recorded & maintained for a term of 5 years or even extended period (for specific complaints) as may be decided by Chairman of Audit Committee.

**5.5** Detailed written record of the protected disclosure will include

- a. findings of Ombudsperson / Nodal officer's;
- b. The recommendations of the Ombudsperson whether disciplinary / other action(s).

**Note:** The policy is approved in the Audit Committee meeting of PTC India Ltd. dated 8<sup>th</sup> August 2014. PTC has adopted Alternative-1 provided in the policy and Company Secretary had been appointed as Nodal Officer.