

AD HYDRO POWER LIMITED

WHISTLE BLOWER POLICY

1. 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, transparency and ethical behaviour.

The Company is committed to developing a culture where it is safe for all Employees and Directors to raise concerns about any unethical, poor or unacceptable practice and any event of misconduct.

Section 177 (9) of the Companies Act, 2013 Companies (Audit and Auditors) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism called Whistle Blower Policy for Directors and Employees –

- Every listed company;
- Every other company which accepts deposits from the public;
- **Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores** (*reason why this Policy is mandatory in ADHPL*).

The purpose of this policy is to establish a mechanism called the 'Whistleblower Policy' for directors and employees to report concerns of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

2. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below:

- a. **“Associates”** means holding company, subsidiaries, and group companies under the control of common management and includes vendors, suppliers and others with whom the Company has any financial or commercial dealings.

- b. **“Audit Committee”** means the Audit Committee of the Company as per Section 177 of the Companies Act 2013.
- c. **“Code”** means AD Hydro Power Limited (ADHPL) Code of Conduct.
- d. **“Director”** means every Director of the Company, past or present.
- e. **“Disciplinary Action”** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- f. **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- g. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee and include the auditors of the Company and the police.
- h. **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- i. **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation
- j. **“Whistleblower”** means an Employee or director making a Protected Disclosure under this Policy.
- k. **“Whistle Blower Committee”** means a Committee responsible for ensuring enquiry/investigation under this policy. The Audit Committee shall constitute such Committee comprising of such members as it may deem fit.

3. SCOPE

- a. This Policy is an extension of the Company’s Code of Conduct. The Whistleblower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistleblowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Investigators.

- c. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.

4. ELIGIBILITY

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

5. DISQUALIFICATIONS

- a. While it will be ensured that genuine Whistleblowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistleblower knowing it to be false or bogus or with a mala fide intention.
- c. Whistleblowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

6. REPORTABLE MATTERS

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

1. Abuse of authority
2. Breach of contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of company data/records
5. Financial irregularities, including fraud, or suspected fraud, bribery
6. Pilferation of confidential/propriety information
7. Deliberate violation of law/regulation and illegality
8. Wastage/misappropriation of company funds/assets
9. Breach of Code of Conduct or Rules
10. Any other unethical, biased, favoured, imprudent event
11. Health & Safety, environmental issues.
12. Any offence of material nature.

7. PROCEDURE

- a. All Protected Disclosures concerning all Reportable Matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.

To the extent possible, the Complaint or Protected Disclosure must include the following:

- i. The name/details of employee, and /or outside party or parties involved;
- ii. The sector of the Company where it happened (division, office);
- iii. When did it happen: a date or a period of time;
- iv. Type of concern (what happened); a) Financial reporting; b) Legal matter; c) Management action; d) Employee misconduct; and/or e) Health & safety and environmental issues etc.
- v. Submit proof or identify where proof can be found, if possible;
- vi. Who to contact for more information, if possible; and/or
- vii. Prior efforts to address the problem, if any.

This policy also offers the Whistleblower the possibility of reporting anonymously and full confidentiality of the information thus submitted shall be maintained.

- b. The contact details of the Chairman of the Audit Committee are as under:

Name:
Designation:
Mobile/Telephone:
Fax:
Address:

- c. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.
- d. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in legible

handwriting in English, Hindi or in the regional language of the place of employment of the Whistleblower

- e. 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 allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- f. The Whistleblower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will be entertained after certain verification.

8. INVESTIGATION

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee. If any member of the Audit Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and the other members of the Audit Committee should deal with the matter on hand. In case where a company is not required to constitute an Audit Committee, then the Board of directors shall nominate a director to play the role of Audit Committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.
- b. The Chairman of the Audit Committee may at its discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistleblower that an improper or unethical act was committed.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistleblower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects 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 Subjects.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The Whistle Blower Committee may depute the Internal Audit team or a team of such persons (whether from within the organization or hire persons from outside) to investigate into any matter within the scope defined by the Committee.
- l. The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure.
- m. In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, she/he can make a direct appeal to the Chairman of the Audit Committee.

9. PROTECTION

- a. No unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection will, therefore, be given to Whistleblowers 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 Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistleblower may experience as a result of making the Protected Disclosure. Thus, if the Whistleblower is required to give evidence in criminal or disciplinary proceedings,

the Company will arrange for the Whistleblower to receive advice about the procedure, etc.

- b. A Whistleblower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- c. The identity of the Whistleblower shall be kept confidential to the extent possible and permitted under law. Whistleblowers are cautioned that their identity may become known for reasons outside the control of the Chairman of the Audit Committee (e.g. during investigations carried out by Investigators).
- d. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

10. SECURITY & CONFIDENTIALITY

The Whistle Blower, Whistle Blower Committee and everyone involved in the process shall:

- a. Maintain complete confidentiality/ secrecy of the matter.
- b. Not discuss the matter in any informal/social gatherings/ meetings.
- c. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations.
- d. Not keep the papers unattended anywhere at any time.
- e. Keep the electronic mails/files under password.

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

11. REPORTING

A quarterly report with number of complaints received under the Policy and their outcome duly signed by Chairman of Whistle Blower Committee shall be placed before the Audit Committee and the Board.

12. DOCUMENT RETENTION

The Company shall maintain documentation of all complaints or reports subject to this Policy. The documentation shall include any written submissions provided by the

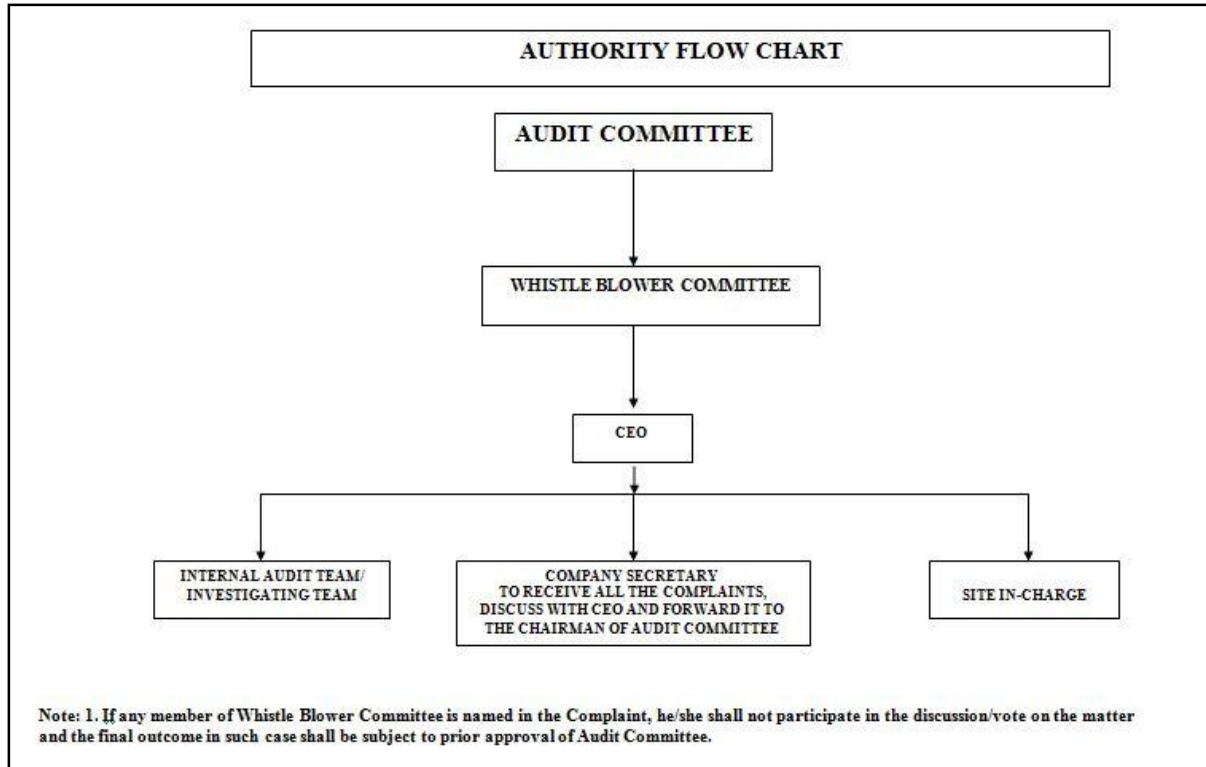
complainant, any other Company documents identified in the complaint or by the Company as relevant to the complaint, a summary of the date and manner in which the complaint was received by the Company and any response by the Company to the complainant. All such documentation shall be retained by the Company for a minimum of six (6) years from the date of receipt of the complaint.

13. DISPLAY

The Whistle Blower Policy shall be uploaded on the Company's website and intranet along with the constitution of the Whistle Blower Committee.

14. AMENDMENT/MODIFICATION

The Company may modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with local, state, central and federal regulations and/or accommodate organizational changes within the Company. However, no such amendment or modification will be binding on the Employees and directors unless the same is notified to the Employees and directors in writing.



NAME AND ADDRESS OF CHAIRMAN OF WHISTLE BLOWER COMMITTEE

Name: Mr. Ravi Jhunjunwala
Designation: Director
Address: A-12, Sector-1, Noida-201301
Contact details:
Telephone: 0120-4390021
Email: arvind.gupta@lnjbhilwara.com