

SAGARMALA DEVELOPMENT COMPANY LIMITED
WHISTLE BLOWER POLICY

1. PREAMBLE

In compliance with the DPE Guidelines on Corporate Governance for CPSEs-2010 (DPE Guidelines) and the relevant provisions of the Companies Act, 2013, if applicable Sagarmala Development Company Limited has established this Whistle Blower Policy. The Board of Directors of the company at its meeting held on 29th March, 2023 had accorded approval to the Whistle Blower Policy.

2. POLICY OBJECTIVES

1. The Whistle Blower Policy aims to provide a channel to the Directors, employees, and stakeholders to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct for Board Members and Senior Management Personnel.
2. The Policy also provides for adequate safeguards against victimization of Directors and Employees to avail of the mechanism and also provides for direct access to the Chairman of Audit Committee.

3. APPLICABILITY

This policy applies to all employees (full time, part time or employees appointed on adhoc/temporary/contract basis), including Board of Directors and all stakeholders including vendors of the Company with effect from the date on which the same is being approved by the Board of Directors of the Company.

4. DEFINITIONS

a) Competent Authority

Competent Authority means the Chairperson of the Company and will include any person(s) to whom he/she may delegate any of his/her powers as the Competent Authority under this policy from time to time. In case of conflict of interest (Chairperson being the subject person), Competent Authority means the Chairperson of Audit Committee.

b) Good Faith

An employee shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

c) Investigator

Investigator shall mean those persons(s) authorized, appointed, consulted or approached by the Competent Authority in connection with conducting investigation

into a protected disclosure and include the Statutory Auditors of the Company.

d) Protected Disclosure or Complaint

Protected Disclosure or Complaint means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity, which would be factual and not speculative and should contain as much specific information as possible so that the nature and extent of the concern be assessed appropriately.

e) Subject Person

Subject Person means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

f) Unethical and Improper Practices/Activities and Wrongful Conduct

Unethical and improper practices/activities shall mean and include –

- i. Violating the service rules, policies, office orders and code of conduct as made/amended by the Company from time to time
- ii. An act which does not conform to approved standard of social and professional behaviour;
- iii. An act which leads to unethical business practices;
- iv. Improper or unethical conduct;
- v. Breach of etiquette or morally offensive behaviour, etc.
- vi. Leaking of unpublished confidential and sensitive information.
- vii. Activities which have no nexus to the working of the Company and are purely of personal nature are specially excluded from the definition of Improper Practices/ Activity.
- viii. violation of law, rules regulations, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority

g) Unpublished confidential and sensitive information

This includes following

- i. Financial Statements of the Company;
- ii. Dividends;
- iii. Change in capital structure;
- iv. Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- v. Changes in Key Managerial Personnel appointed by the Company under the provisions of Companies Act, 2013;
- vi. any other information related to the business/operations of the Company.

h) Whistle Blower

An employee, Director and other stakeholders making a Protected Disclosure under this policy.

5. WHISTLE BLOWER – ROLE

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

6. PROTECTION OF WHISTLE BLOWER:

- a. No adverse personnel action shall be taken or recommended against an employee in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This policy protects such employees from unfair termination and unfair prejudicial employment practices.
- b. If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, arrangements will be made for 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.
- c. Any other Employee assisting in the said investigation will also be protected to the same extent as the Whistle Blower.

7. FALSE ALLEGATION & LEGITIMATE EMPLOYMENT ACTION

An employee who knowingly makes false allegations of unethical & improper practices/activities or alleged wrongful conduct shall be subject to disciplinary action by the Audit Committee, up to and including termination of employment, in accordance with Company rules, policies, procedures and as per statutory legislations, if any.

8. REPORTING OF FRAUD/UNETHICAL PRACTICES.

- i. All stakeholders including vendor(s) and an employee (full time or Part time or persons appointed on adhoc/temporary/contract basis, trainee, apprentices) including directors of the Company who comes to know of any fraud or suspected fraud or notice any other fraudulent activity must report such incident(s) as soon as possible but not later than 30 days from the date of such knowledge.
- ii. Such reporting shall be made to the Competent Authority or directly to the Chairman of Audit Committee in exceptional cases or to such official authorized by Competent Authority.
- iii. The address and contact details of the Chairperson of the Company and the Chairperson of Audit Committee of the company is given below:

Designation	Contact Details
i. Chairperson of the Company	Sagarmala Development Company Limited 1 st Floor, 124, Thapar
ii. Chairperson of the Audit Committee	House, Janpath Lane, New Delhi-110001

- iv. If, however, time constraints are there to report the matter to the Competent Authorities, such reports should be made to the immediate reporting officer, who shall ensure that input received is immediately communicated to the Competent Authority.
- v. The reporting of the fraud normally should be in writing and should be in a sealed/closed/secured envelope and should be super-scribed "Protected Disclosure under "Sagarmala Development Company Limited Whistle blower Policy". In case the reporter is not willing to furnish a written statement of fraud but is in a position to give sequential and specific transaction of fraud/suspected fraud, then the officer receiving the information should record such details in writing as narrated by the reporter and also maintain the details about the identity of the official/employee/other person reporting such incident.
- vi. The concerned official shall refer the protected disclosures to the Chairman of Audit Committee or such other officer appointed by the Chairman duly concealing the identity of the whistle blower, after confirming the genuineness of the disclosure/complaint.
- vii. Reports can be made 'in confidence'. The person to whom the fraud or suspected fraud has been reported must maintain the confidentiality with respect to the reporter. Such matter should under no circumstances be discussed with any other person who is not supposed to know about/or is not an authorized person in such matters.
- viii. Anonymous/ Pseudonymous complaints received, if not supported by the relevant evidence, may not be acted upon. However, a record of such complaints will be maintained. Also, a record of the reasons in writing (for not taking any action on such anonymous complaints) will be maintained by the Competent Authority.
- ix. In the case the management finds the complaints to be motivated or vexatious, it shall be at liberty to take appropriate steps against complainant.

9. INVESTIGATION & ROLE OF INVESTIGATOR(S):

- i. The concerned official in consultation with the Competent Authority shall determine whether the alleged act constitutes an unethical or improper practice or activity and whether the circumstances warrant an Investigation into the Complaint in the case. If it is determined that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.
- ii. If the concerned official is prima facie satisfied that the Complaint or Protected Disclosure warrants investigation of the alleged Improper Activity, he will, in consultation with the Competent Authority of the Company initiate the investigation.
- iii. The identity of a Subject Person and the Whistle Blower will be kept confidential

- to the extent possible given the legitimate needs of law and the investigation.
- iv. Subject Person will normally be informed of the allegations at the outset of a formal investigation and will be given opportunities for providing their inputs during the investigation.
 - v. Subject Person shall have a duty to co-operate with the Competent Authority 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.
 - vi. Subject Person have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, cajoled, threatened or intimidated by the Subject Person.
 - vii. Subject Person have a right to be informed of the outcome of the investigation.
 - viii. 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.

10. ROLE OF INVESTIGATOR(S):

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

All Investigators will perform their role in an independent and unbiased manner. Investigators have a duty of acting with fairness, objectivity, thoroughness, ethical behavior, and observance of professional standards.

11. ACTION

- a) If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable under law, the Competent Authority may direct the concerned authority to take disciplinary action under applicable statutory provisions.
- b) The Competent Authority will take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the reoccurrence of such improper activity.
- c) If the Competent Authority is of the opinion that no further action on the protected disclosure is warranted, the same shall be recorded in writing and also be incorporated in the Report to be submitted to the Audit Committee.

12. GRIEVANCE

If the complainant feels aggrieved with the disposal of his/her complaint he/ she may make a representation in writing of his/her grievance to the Chairperson of the Company, who will take such action in the matter as the Chairperson considers necessary to redress the grievance. If the complainant feels aggrieved with the action taken by the Chairperson on a representation made above, he/she may make a representation in writing of his/her grievance to the Chairperson of the Audit Committee. The decision of the Chairperson of

the Audit Committee will be final and binding.

13. CONFIDENTIALITY:

The Whistle Blower/ subject person, Investigator (s), Concerned Official and Competent Authority and others connected with a Protected Disclosure shall maintain of all matters under this Policy, and they shall disclose/ discuss only to the extent or with those person(s) as required under this policy for completing the process of investigation and keep the papers and other materials in safe custody.

14. REPORTING AND REVIEW

- a) The Competent Authority will submit a report on the complaint, the investigation conducted, and action taken to the Chairman of the Audit Committee, who will have the power to review any action or decision taken by the Competent Authority. In case of difference of opinion between the report of Competent Authority and Audit Committee the matter will be referred to the Board and the decision of the Board will be final and binding on all parties.
- b) The Competent Authority or such other persons as may be appointed by the competent authority will submit quarterly report of the protected disclosures, only if complaint is received and covered under this policy, the investigation conducted, and action taken to the Audit Committee for review. The status of the case(s) is to be provided by the Concern Department/ official to the competent authority/official on monthly basis so as to enable it to submit the quarterly report.

15. AMENDMENTS

Amendment required due to changes/ modifications on account of change in law as amended from time to time or due to any other reasons shall be appropriately factored in the Policy with the approval the Board of Directors of the Company. The updated policy will be displayed in the website of the Company.

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