

**Whistle Blower Policy
Of
IL&FS Engineering and Construction Company Limited**

1. Applicability:

IL&FS Engineering and Construction Company Limited (IECCL) in India believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the IECCL Principles of Conduct and Action. Any actual or potential violation of these Principles and Code of Conduct would be a matter of serious concern for the Company. Directors and Employees have a role and responsibility in pointing out such violations. This policy is formulated to provide a secure environment and to encourage the stakeholders including employees and directors of IECCL to report unethical, unlawful or improper practices, acts or activities at the Offices or any of its Projects and to prohibit personnel from taking any adverse personnel action against those employees who report such practices in good faith. This policy applies to the directors and all permanent/contract employees of the IECCL including Advisors / Consultants appointed by IECCL.

2. Policy:

Every director and/or employee of the IECCL is expected to promptly report to the management any unethical behavior, actual or suspected fraud or any actual or possible violation of the IECCL's Principles of Conduct and Action as mentioned in HR Manual (for employees) and as mentioned in the Code of Conduct for Directors and Senior Management. These Codes of Conduct prohibit any unlawful or unethical or improper practice or act or activity concerning the Company. The unlawful or unethical or improper practice or act or activity (hereinafter referred to as an "alleged wrongful conduct") may include, but is not limited to, any of the following:

- A violation of any Company's rules and regulations resulting in loss or damage to company's asset or reputation,
- Misuse or misappropriation of the Company's assets
- Gross waste of or misuse or misappropriation of the Company's funds
- A substantial and specific danger to health and safety
- An abuse of authority

No HOD, Functional Head, Project Head, manager or any other employee with authority can influence decisions or take or recommend an adverse personnel action against an employee as a retaliation for the disclosure of information, made in good faith, about an alleged wrongful conduct.

3. Definitions:

- i. "This Policy" or "Policies"** "This Policy" or "Policies" refers to the "Whistle-Blower Policy."
- ii. Whistle-Blower (WB)** WB means an Employee or director making a Disclosure under this Policy.
- iii. "IECCL Projects"** refers to all the projects of the company in India & overseas.
- iv. "Company"** refers to IL&FS Engineering and Construction Company Limited.
- v. "Code"** means the IL&FS Engineering and Construction Company Limited Code of Conduct as mentioned in HR Manual (for employees) and Code of Conduct for Directors and Senior Management as displayed in the website of the Company
- vi. "Investigators"** mean those persons authorized, appointed, consulted or approached by the Management to investigate the disclosure made by any employee under Whistle Blower Policy.
- vii. "Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity
- viii. "Employee"** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company
- ix. Adverse Personnel Action** An employment-related act or decision (relating to, but not limited to, compensation, promotion, job location, job profile, leave or other privileges) or a failure to take appropriate action by a manager, which may affect the employee negatively.

4. Whistle Blowing Investigating Committees (WBIC):

WBIC shall mean a Committee constituted by the IECCL Company, the WBIC shall comprise of the following managerial personnel:

Head of Human Resource Department,
Head of Building Sector,
Company Secretary,
Or as nominated by the Management from time to time.

5. Investigation Officer(s): (IO):

Investigating Officer(s) means, an officer exclusively appointed by the WBIC to act as Investigating officer. The IO will be nominated by WBIC on the basis of criticality and type of the case.

6. Good Faith:

An employee or director shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of the alleged wrongful conduct. Good faith shall be deemed lacking when the employee or director does not have personal knowledge of or a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the alleged wrongful conduct is malicious, false or frivolous and in such cases WBIC may recommend appropriate action against that employee or director.

7. Alleged Wrongful Conduct:

Alleged Wrongful Conduct shall mean any unethical behavior, violation of law, infringement of Company's Rules & Regulations, ethic policies, mismanagement, misappropriation of money, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

Alleged wrongful conduct as illustrated below may include but is not limited to:

- Forgery, falsification or alteration of documents
- Unauthorized alteration or manipulation of computer files, data
- Fraudulent reporting, willful material misrepresentation.
- Pursuit of a benefit or advantage in violation of the Company's interest
- Misappropriation/misuse of Company's resources, like funds, supplies, vehicles or other assets
- Authorizing/receiving compensation for goods not received/ services not performed
- Authorizing or receiving compensation for hours not worked
- Improper use of authority
- Unauthorized Release of Proprietary Information
- Solicitation accepting, kickback, bribes, expensive gifts, directly or indirectly from
- business connections including vendors & contractors. For this purpose, gifts / Complimentary, etc. exceeding Rs.2,500/- on any one festive occasion per annum shall not be received by any employee of IECCL.
- Theft of Cash
- Theft of Goods/Services
- Unauthorized Discounts
- Falsification, Destruction of Company Records • Fraudulent Insurance Claims
- Harassment
- Providing (unauthorized) confidential information to external agencies.

8. Unethical and Improper Practices:

Unethical and improper practices shall mean -

- An act which does not conform to approved standards of social and professional behavior
- An act which leads to unethical business practices;
- Improper or unethical conduct;
- Breach of etiquette or morally offensive behavior, etc

9. Roles, Rights and Responsibilities of Whistle-Blowers:

- Whistle-Blowers provide initial information based on a reasonable belief that an alleged wrongful conduct has occurred. The motivation of a whistle-blower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report, whether orally or in writing, is itself considered an improper activity, on which WBIC has the right to act against Whistle Blower.
- Whistle-Blowers shall refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered an improper activity.
- Whistle-Blower has a responsibility to be candid with the members of the WBIC to whom he/she makes a report of alleged improper activities and shall set forth all known information regarding any reported allegations.
- Anonymous whistle-blowers must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoing or broad allegations would not be undertaken without verifiable evidence. Because investigators are unable to interview anonymous whistleblowers, it may be more difficult to evaluate the credibility of the allegations and, therefore, less likely to cause an investigation to be initiated.
- Whistle-Blowers are “reporting parties,” not investigators. They are not to 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 investigating authority.
- The identity of the whistle-blower will not be disclosed except where required under the law or for the purpose of the investigation. Should, however, the whistle-blower self-disclose his or her identity, there will no longer be an obligation not to disclose the whistle-blower’s identity.
- A whistle-blower’s right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation or any other misconduct or wrong doing.
- This policy may not be used as a defense by an employee against whom an adverse personnel action has been taken for legitimate reasons or cause under Company rules and policies. It shall not be a violation of this policy to take adverse personnel action against an employee, whose conduct or performance warrants that action, separate and apart from that employee making a disclosure.
- While it will be ensured that genuine Whistle-Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistle-blower knowing it to be false or bogus or with a mala fide intention.
- Whistle-Blowers, who make any Disclosures, which have been subsequently found to be mala fide or malicious or whistle-blower who makes Disclosures repeatedly, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Disclosures under this Policy. This itself will be considered as an improper activity which the WBIC members have the right to act upon.

- An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct to the WBIC shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further, 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 information by him and for legitimate reasons or cause under Company rules and policies.

10. Procedures:

A. For Making a Disclosure

- Any employee who observes or has knowledge of an alleged wrongful conduct shall make a disclosure to any of the members of the WB Committee of the Company. The disclosure may be made in writing (by e-mail or on paper) or orally (a personal meeting or over the telephone).
- The Committee to which the disclosure has been made shall appropriately and expeditiously investigate all whistle-blower reports received. In this regard, the Committee, if the circumstances so suggest, may appoint a senior officer or a committee of managerial personnel to investigate into the matter.
- The Committee shall have the right to outline a detailed procedure for an investigation.
- This is the responsibility of Committee to keep name of Whistle Blower strictly confidential and protect him/her from repercussions subsequent to making Complaint.
- Committee will not disclose the name of Whistle Blower to Investigating Officer. If Investigating Officer needs more information then one of the Committee members will act as mediator unless Whistle Blower himself/herself agrees to interact with Investigating Officer directly to give more information.

B. Withdrawal of Complaint by WB

After registering complaint to WBIC if WB thinks or comes across the facts that he/she has filed a wrong complaint then he/she can withdraw the complaint within 5 days from filing the complaint by submitting withdrawal request with reason for withdrawal and if the facts given by him were wrong. The WBIC in any case will have the right to investigate if it decides so to proceed on the original complaint not withstanding its withdrawal.

C. Timeline for WBIC to complete the investigation:

- 0 week:** WBIC receives complaint from WB,
- 0-1 weeks:** All WBIC members read and assess the complaint and decide whether investigate / ask WB for more clarifications / terminate Complaint. In case WBIC terminates the complaint then they have to give reasons to the Management and WB. If WBIC decides to investigate then they nominate IO. The appointment of IO should be based on his/her capability/knowledge and experience w.r.t. complaint. For example if Complaint is regarding financial irregularity at any site then IO should be senior F&A personnel who is not associated with that site in any way.
- 1-3 weeks:** IO investigates the complaint and fills report to WBIC members. In case IO needs more time for investigation then he/she should seek permission of WBIC in writing by giving reasons for seeking more time. On the basis of reasons WBIC may extend time but not more than 2 weeks.
- 4-5 weeks:** WBIC members evaluate the report of IO and make final report and submit to CEO with recommendations. WBIC should also make suggestions to plug loopholes to avoid such incidents in future. Copy of WBIC report shall be forwarded to WB. In case WB is not satisfied with the report of WBIC he may submit his comments on the report of WBIC and may request WBIC to forward his comments along with WBIC report to the Chairman of the Audit Committee.

The WBIC, for the reasons recorded in writing may either forward the comments and the report of WBIC to the Chairman of the Audit Committee in exceptional cases or may decide not to accept the request of WB in this regard and communicate the same to the WB

11. Report to Audit Committee:

The WBIC shall report all the matters to Audit Committee periodically for their review and necessary action.

12. Notification:

Outlook Administrator will communicate existence of WB Policy through email to all associates. The new employees shall be informed about the policy by the HR department at the time of Induction.

This policy, as amended from time to time, shall be made available on the website of the Company.

13. Amendment:

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

14. Annual Affirmation:

The Company shall annually affirm that it has not denied any personnel access to the WBIC and that it has provided protection to whistle blower from adverse personnel action.

The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

Hyderabad
19th May 2014