CMPDI WHISTLE BLOWER POLICY 2011

1. OBJECTIVE AND PURPOSE

1.1 This policy is formulated to provide an opportunity to employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company’s code of conduct.

1.2 Clause 49 of the Listing Agreement between listed Companies and the Stock Exchanges has been emended and is effective from November 4th, 2010. Clause 49 Inter alia, provides for a non-mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower Policy".

1.3 It is to provide necessary safeguards for protection of employees from reprisals or victimization.

However, a disciplinary action against the Whistle Blower which occurs on account of poor job performance or misconduct by the Whistle Blower and which is independent of any disclosure made by the Whistle Blower shall not be protected under this policy.

2. DEFINITIONS

2.1 "CMPDI" means Central Mine Planning & Design Institute Limited.

2.2 "Audit Committee" means the Audit Committee of the Board constituted by the Board of Directors, CMPDI in accordance with Section 292A of the Companies Act, 1956 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

2.3 "Competent Authority" means the Chairman & Managing Director of CMPDI and will include any person(s) to whom he may delegate any of his powers as the Competent Authority under this policy from time to time. In case of conflict of interest (CMD being the subject person), Competent Authority means Chairman-Audit Committee

2.4 "Employee" means an employee as defined in the Coal India Executives' Conduct, Discipline and Appeal Rules, 1978 and employees of CMPDI governed by respective Standing Orders.

2.5 "Improper Activity" means unethical behavior, actual or suspected fraud or violation of the company's general guidelines by an employee of CMPDI.

2.6 "Investigators" means whose persons authorized, appointed, consulted or approached by the Chairman & Managing Director/Competent Authority in connection with conducting investigation into a protected disclosure and include the Auditors of CMPDI.

2.7 "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may be treated as evidence of unethical or "Improper Activity."

2.8 "Screening Committee" means a Committee constituted under Whistle Blower Policy of CMPDI, comprising, the Chairman & Managing Director or in his absence, a functional Director as nominated by CMD and Chairman, Audit Committee or in his
absence, a member of the Audit Committee as nominated by the Chairman, Audit Committee.

2.9 "Service Rules" means the CMPDI Executives' Conduct, Discipline and Appeal Rules, 1978 and employees of CMPDI governed by respective Standing Orders.

2.10 "Subject" means an employee- Officer/Staff against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

2.11 "Whistle Blower" means an Employee making a Protected Disclosure under this policy.

2.12. "Motivated Complaint" means a complaint shall be deemed to be motivated if it is found to be deliberately false or motivated by revenge/enmity/mischief or extraneous considerations.

2.13 "Bonafide Complaint" means a complaint shall be deemed to be bonafide unless it is found to be motivated.

3. ELIGIBILITY

All employees of CMPDI are eligible to make "Protected Disclosures".

4. GUIDING PRINCIPLES

4.1 Protected disclosures shall be acted upon in a time bound manner.

4.2 Complete confidentiality of the Whistle Blower will be maintained.

4.3 The Whistle Blower and/or the person(s) processing the Protected Disclosure will not be subjected to victimization.

4.4 Evidence of the Protected Disclosure will not be concealed and appropriate action including disciplinary action will be taken in case of attempts to conceal or destroy evidence.

4.5. "Subject" of the Protected Disclosure i.e. Employee against or in relation to whom a protected disclosure has been made, will be provided an opportunity of being heard.

4.6 The Whistle Blower should bring attention of the Competent Authority at the earliest any improper activity or practice. Although they are not required to provide proof, they must have sufficient cause for concern.

4.7 The Whistle Blower shall co-operate with investigating authorities, maintaining full confidentiality.

4.8 The Whistle Blower Policy does not tantamount in any manner to dilution of the Vigilance mechanism in CMPDI. Rather, over and above the existing Vigilance Mechanism, any protected Disclosure made by an employee under this policy, if perceived
to have a vigilance angle, shall be referred to the Chief Vigilance Officer, CMPDI, as per the existing practice.

5. WHISTLE BLOWER- ROLE & PROTECTION

Role:

5.1 The Whistle Blower's role is that of a reporting party with reliable information.

5.2 The Whistle Blower is not required or expected to conduct any investigation on his own.

5.3 The Whistle Blower may also be associated with the investigations, of the case to warrants. However, he shall not have a right to participate.

5.4 Protected Disclosure will be appropriately deal with by the Competent Authority.

5.5 The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

Protections:

5.6 Genuine Whistle Blowers will be accorded protection from any kind of harassment/unfair treatment/victimization. However, motivated and frivolous disclosures shall be discouraged.

5.7 If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, arrangements will be made for the 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.

5.8 A Whistle Blower may report any violation of Clause 5.7 above to the Competent Authority who shall investigate into the same and take corrective action as may be required.

5.9 Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

6. PROCEDURES-ESSENTIALS AND HANDLING OF PROTECTED DISCLOSURE:

6.1 The Protected Disclosure/Complaint should be attached to a letter bearing the identity of the whistle blower/complainant i.e. his/her Name, Employee no., PF no., Designation and Address, and should be inserted in an envelope which should be closed/secured/sealed.

The envelope thus secured/sealed should be addressed to the Competent Authority and should be super scribed "Protected Disclosure". (If the envelope is not superscribed and closed/secured/secured, it will not be possible to provide protection to the whistle blower as specified under this policy).

6.2 If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the whistle blower, he may send his protected disclosure directly to the Chairman, Audit Committee, c/o the Company Secretary, CMPDI
6.3 Anonymous or pseudonymous Protected Disclosure shall not be entertained.

6.4 Protected Disclosure should either be typed or written in legible hand writing in any language listed in the constitution of India and should provide a clear understanding of the Improper Activity involved or 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.

6.5 Investigations into any Improper Activity which is the subject matter of an inquiry or order under the Public Servants' Inquiries Act 1850 or under the Commissions of Inquiry Act, 1952 will not come under the purview of this policy.

6.6 The contact details of the Competent Authority for addressing and sending the Protected Disclosure is as follows:

The Chairman - cum- Managing Director
Competent Authority
Whistle Blower Mechanism
Central Mine Planning & Design Institute Limited
Gondwana Place, Kanke Road
Ranchi - 834 031 ( Jharkhand )

6.7 The contact details for addressing a protected disclosure to the Chairman Audit Committee are as follows:

Chairman, Audit Committee
C/o. Company Secretary,
Central Mine Planning & Design Institute Limited
Gondwana Place, Kanke Road
Ranchi - 834 031 ( Jharkhand )

6.8 The Competent Authority shall mark the envelope containing the protected Disclosure to a dedicated Confidential Section, which shall maintain a record thereof and shall submit the same to the Screening Committee.

6.9 The Screening Committee shall weed out frivolous / motivated complaints and the Protected Disclosure(s) / bonafide complaints which require further investigation shall be forwarded to the investigator(s) nominated for this purpose, through the Confidential Section.

6.10 The Screening Committee shall endeavour to meet as early as possible, preferably within 15 days of receipt of a protected Disclosure.

7. INVESTIGATION AND ROLE OF INVESTIGATORS:

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Investigation:

7.1 Investigations shall be launched if the Screening Committee is satisfied after preliminary review that:

a) The alleged act constitutes an improper or unethical activity or conduct, and

b) The allegation is supported by information and specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter deserves investigation.

7.2 The decision taken by the Screening Committee to conduct an investigation is by itself not to be construed as an accusation and is to be treated as a neutral fact finding process.

7.3 The identity of the Subject(s) and the Whistle Blower will be kept confidential.

7.4 Subject(s) will normally be informed of the allegations at the commencement of a formal investigation and will be given opportunities for providing their inputs during the investigation.

7.5 Subject(s) shall have a duty to co-operate with the Investigator(s) during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

7.6 Subject(s) 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 Subject(s).

7.7 Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

7.8 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.

7.9 Subject(s) have a right to be informed of the outcome of the investigation.

Role of Investigator(s) :
7.10 Investigator(s) are required to conduct a process towards fact finding and analysis. Investigator(s) shall have derived their authority from Competent Authority when acting within the course and scope of their investigation. The Investigator(s) shall submit his/their report to the Competent Authority.

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

8. ACTION

8.1 If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable in law, the Competent Authority may direct the concerned authority to take disciplinary action under applicable statutory provisions including referring the matter to Chief Vigilance Officer of CMPDI for appropriate action.

8.2 The Competent Authority shall take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the re-occurrence of such improper activity.

8.3 If the investigation discloses that no further action on the protected disclosure is warranted, the report shall be filed in the Confidential Section.

8.4 If the competent authority is satisfied that the protected disclosures / complaint is false, motivated, or vexatious, the competent authority may report the matter to concerned Disciplinary Authority for appropriate disciplinary action against the whistle blower.

9. GRIEVANCE

9.1 If the Whistle Blower feels aggrieved with the disposition of his or her Complaint or if the Whistle Blower or Subject feels that protection, which either of them is entitled to has not been provided or has been disregarded, the Whistle Blower or Subject as the case may be may make a representation in writing of his or her grievance to the Chairman of the Company, who will take such action in the matter as he considers necessary to redress the grievance.

9.2 If the Whistle Blower or Subject feels aggrieved with the action taken by the Chairman of the Company on a representation made under Clause 9.1 he/she may make a representation in writing of his or her grievance to the Chairman, Audit Committee, who shall take or direct such action on the representation as he shall deem fit. The decision of
the Chairman, Audit Committee shall be final and binding on the Whistle Blower and on the Subject(s).

10. REPORTING AND REVIEW

10.1 The Competent Authority shall submit a report of the complaint, of the investigation conducted, and of the action taken to the Chairman, Audit Committee, who shall have power to review any action or decision taken by the Competent Authority.

10.2 All employees of the Corporation shall abide by, obey and be bound to implement any decision taken or direction given by the Audit Committee.

11. ANNUAL AFFIRMATION

The Company shall annually affirm that it has not denied any employee access to the Audit Committee and that it has provided protection to the Whistle Blower from adverse action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

12. SAVINGS

This policy can be changed, modified or abrogated at any time by the Board of Directors of the Company.

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**Process Flow**

1. Whistle Blower raises a concern
2. Protected Disclosure/Complaint over a subject
3. Chairman cum Managing Director, CMPDI / Chairman, Audit Committee
4. Screening Committee
5. Concern Dismissed
6. Investigator
7. Detailed Investigation
8. Subject
9. Report Preparation
10. Decision on Action to be taken
11. Subject Exonerated
12. Concern Proved?
   - No
   - Yes
      - Disciplinary Action
      - Preventive Measures