

**GUJARAT ALKALIES AND CHEMICALS LTD.**



**VIGIL MECHANISM**

**CUM**

**WHISTLE BLOWER POLICY**

(Effective from 23<sup>rd</sup> July, 2014)

## **VIGIL MECHANISM CUM WHISTLE BLOWER POLICY**

### **I. PREAMBLE**

This policy is formulated to provide opportunity to Director(s) and employee(s) to access in good faith to report genuine concerns to the Audit Committee (including Chairperson of Audit Committee in appropriate or exceptional cases) in case they observe unethical and improper practices or any other wrongful conduct in the Company by any person and to prohibit managerial personnel or any other employee/ group of employees from taking any adverse personnel action against those Director(s) / employee(s) as per the requirement of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **II. APPLICABILITY**

This policy applies to all Directors and employees of the Company.

### **III. POLICY**

No adverse action shall be taken or recommended against the Director and 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 Directors from unfair removal or such employees from unfair termination and unfair prejudicial employment practices.

This Policy provides adequate safeguards against victimization of Directors /employees, who avail of this Vigil Mechanism.

However, this policy does not protect Director or an employee from an adverse action which occurs independent of his disclosure of unethical and improper practice or alleged wrongful conduct, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

### **IV. DEFINITIONS**

#### **1. Adverse Personnel Action**

An employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.

2. **Alleged Wrongful Conduct**

Alleged Wrongful Conduct shall mean violation of law, infringement of Company's Code of Conduct or ethic policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

3. **Audit Committee**

Audit Committee shall mean a Committee of Board of Directors of the Company, constituted in accordance with provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. **Company**

Company means, "Gujarat Alkalies and Chemicals Limited."

5. **Compliance Officer**

Compliance Officer means, "Company Secretary" of the Company.

6. **Good Faith**

A Director or 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 Director/ employee does not have personal knowledge of a factual basis for the communication or where the Director/ 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.

7. **Managerial Personnel**

Managerial Personnel shall include Directors, all Executives at the level of Manager and above, who has authority to make or materially influence significant personnel decisions/ actions.

**8. Policy or This Policy**

Policy or This Policy means, “Vigil Mechanism cum Whistle Blower Policy.”

**9. Unethical and Improper Practices**

Unethical and improper practices shall include –

- a) An act which does not conform to approved standard of social and professional behaviour;
- b) An act which leads to unethical business practices;
- c) Improper or unethical conduct;
- d) Breach of etiquette or morally offensive behaviour, etc.

**10. Whistle Blower**

A Director of the Company, who discloses in good faith any unethical & improper practices or alleged wrongful conduct to the Audit Committee in writing (including the Chairperson of Audit Committee in appropriate or exceptional cases).

An employee of the Company, who discloses in good faith any unethical & improper practices or alleged wrongful conduct to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to the Audit Committee in writing (including the Chairperson of Audit Committee in appropriate or exceptional cases).

**V. INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Companies (Meeting of Board) Rules, 2014 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/ or SEBI Act and/or any other SEBI Regulation(s) as amended from time to time.

**VI. GUIDELINES**

**1. Internal Policy & Protection under Policy**

This Policy is an internal policy on disclosure by Director(s)/ employee(s) of any unethical and improper practices or wrongful conduct and access to the Head of Department or in case it involves Senior Managerial Personnel access to the Managing Director and in exceptional cases access to Audit Committee of Directors constituted by the Board.

This Policy prohibits the Company to take any adverse action against Director(s) or any Adverse Personnel Action against its employee(s) for disclosing in good faith any unethical & improper practices or alleged wrongful conduct to the Head of Department or to the Managing Director or to the Audit Committee. Any Director against whom any adverse action has been taken due to his disclosure of information under this policy may approach the Board of Directors. Any employee against whom any Adverse Personnel Action has been taken due to his disclosure of information under this policy may approach the Audit Committee.

**2. False Allegation & Legitimate Employment Action**

In case of repeated frivolous complaints filed by a Director or an employee, the Audit Committee may take suitable action against the concerned Director or employee including reprimand.

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct to the Audit Committee 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.

**3. Disclosure & Maintenance of Confidentiality**

A Director or an employee who observes or notices any unethical & improper practices or alleged wrongful conduct in the Company may report the same to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to Audit Committee by sending communication with the name of complainant in writing to the Chairperson of the Audit Committee either by physical document or by e-mail. Any oral or telephonic or anonymous complaints shall not be considered. The confidentiality of whistle blower shall be maintained to the greatest extent possible.

**4. Procedures**

Any Director who observes any unethical & improper practices or alleged wrongful conduct shall make a disclosure to the Audit Committee as soon as possible but not later than 45 consecutive calendar days after becoming aware of the same.

Any employee who observes any unethical & improper practices or alleged wrongful conduct shall make a disclosure to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to the Audit Committee as soon as possible but not later than 45 consecutive calendar days after becoming aware of the same.

The Departmental Head shall immediately forward Whistle Blower Report to the Managing Director of the Company. The Managing Director may inquire in respect of the Whistle Blower Report and after preliminary inquiry, if required, shall report the same to the Audit Committee.

Audit Committee shall appropriately and expeditiously investigate all whistle blower reports received. In this regard, Audit Committee, if the circumstances so suggest, may appoint a Senior Executive or a Committee of managerial personnel to investigate into the matter and prescribe the scope and time limit therefore.

Audit Committee shall have right to outline detailed procedure for an investigation.

Where the Audit Committee has designated a Senior Executive or a Committee of managerial personnel for investigation, they shall mandatorily adhere to the scope and procedure outlined by the Audit Committee for investigation.

The Audit Committee or Officer or Committee of managerial personnel, as the case may be, shall have right to call for any information/document and examination of any employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy.

A report shall be prepared after completion of investigation and the Audit Committee shall consider the same.

If any of the member(s) of the Audit Committee have conflict of interest in a given case, he or they should not take part and other members of the Committee should deal with the matter.

After considering the report, the Audit Committee shall determine the cause of alleged Adverse Personnel action and may order for remedies which may inter-alia include :

- a) Order for an injunction to restrain continuous violation of this policy;
- b) Reinstatement of the employee to the same position or to an equivalent position;

- c) Order for compensation for lost wages, remuneration or any other benefits, etc.

The decision of the Audit Committee shall be final and binding.

If and when the Audit Committee is satisfied that the alleged unethical & improper practice or wrongful conduct existed or is in existence, then the Audit Committee may –

- a) recommend to the Board to reprimand, take disciplinary action, impose penalty / punishment order recovery when any alleged unethical & improper practice or wrongful conduct of any employee is proved.
- b) recommend termination or suspension of any contract or arrangement or transaction vitiated by such unethical & improper practice or wrongful conduct.

## 5. Notification

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. Every departmental head shall submit a certificate duly signed by him to the Compliance Officer that this policy was notified to each employees of his department. The new employees shall be informed about the policy by the Personnel department and statement in this regard should be periodically submitted to the Compliance Officer.

This policy as amended from time to time shall be made available at the Web site of the Company.

## 6. Annual Affirmation

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee 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.

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