

VIGIL MECHANISM /WHISTLE BLOWER POLICY OF GANDHI SPECIAL TUBES LIMITED

A. PREAMBLE

- 1) In Compliance with Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 it is mandatory to establish a Vigil Mechanism Policy for the Directors and employees to report genuine concerns in such manner as may be prescribed.
- 2) Effective October 1, 2014, Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct.
- 3) The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("the Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.
- 4) Accordingly, this Vigil Mechanism/Whistle Blower Policy ("Vigil Mechanism") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the Audit Committee of the Board of Directors of the Company or any member of such Audit Committee.
- 5) The Vigil Mechanism does not release the employees from their duty of confidentiality in the course of their employment.
- 6) The Vigil Mechanism should not be used as a platform for addressing personal grievances.

B. DEFINITION

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

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 (corresponding to Section 292A of the Companies Act, 1956) read with Clause 49 of the Listing Agreement with the Stock Exchange/s.
- b. "Code" means Gandhi Special Tubes Limited Code of Conduct as provided under Clause 49 of the Listing Agreement and the Employee Handbook.
- c. "Director" means any Director on the Board of Directors of the Company.
- d. "Employee" means every employee of the Company.

“Protected Disclosure” means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

“Subject” 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.

“Vigilance Officer” is a person, nominated/appointed or authorized, consulted or approached by the Audit Committee in the process of the investigation of any Protected Disclosure who may or may not be the employees of the Company and includes the auditors of the Company. **“Whistle Blower”** is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

SCOPE

The Vigil Mechanism aims to provide avenues for Whistle Blower to raise concerns on serious matters regarding unethical and improper or malpractices and events which have taken place/ suspected to take place and is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any of the following matters:

1. Breach of the Company’s Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Perforation of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets
10. Making use of Company’s assets or funds or intellectual information for personal gain or gain of relatives.

PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting preferably in English or in the regional language of such place where the Whistle Blower is employed.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy" or sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Chairman of the Audit Committee or member of the Audit Committee and details of the Audit Committee is available in the Annual Report or on the website of the Company (www.gandhispecialtubes.com).

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the Complainant.

Complainant is advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the WhistleBlower and process only the Protected Disclosure.

INVESTIGATION

All Protected Disclosures under this policy will be recorded and thoroughly investigated by the Vigilance Officer who shall submit the report to the audit committee.

Protected Disclosures involving or relating to the Vigilance Officer which in the opinion of the Audit Committee may hamper the independence of the Vigilance Officer in conducting the investigation, if necessary, can be investigated by the Audit Committee.

Subject/s will normally be informed of the allegations at the outset of a formal investigation and shall have opportunities for providing their inputs during the investigation.

Subject/s shall have a duty to fully co-operate with the Vigilance Officer /Audit Committee during investigation in order to conclude the investigation in a proper and meaningful manner. However, co-operation does not mean merely accepting the guilt.

Subject/s has a right to consult with a person or persons of their choice, other than the Vigilance officer and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.

Subject/s has 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.

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 sufficient and proper evidence in support of the allegation.

Subject/s have a right to be informed of the outcome of the investigation. If allegations are not substantiated, 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. However, interest of the Company will prevail over the other.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a "neutral fact finding process". The investigation shall be completed normally within 45-90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern/interest forthwith and shall not deal with the matter.

DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

Any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

A Complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

CONFIDENTIALITY

The Complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimization of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

DISQUALIFICATIONS

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 Protected Disclosures, which have been subsequently found to be malafide, frivolous or malicious, shall be liable to be prosecuted.

COMMUNICATION

Directors and Employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

RETENTION OF DOCUMENTS

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

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. However, no such amendment or modification will be binding on the Directors and employees unless the same is not communicated in the manner described as above.
