

**ETHICAL BEHAVIOR & VIGIL MECHANISM POLICY**  
Gujarat State Investments Limited

**ANNEXURE FOR AGENDA ITEM 146/07**



**Gujarat State Investments Limited**  
(CIN. U64990GJ1988SGC010307)

**ETHICAL BEHAVIOR & VIGIL MECHANISM POLICY**  
(Pursuant to Provision of Section - 177 of the Companies Act, 2013)

## ETHICAL BEHAVIOR & VIGIL MECHANISM

### 1. OBJECTIVE

To establish a mechanism (“Vigil Mechanism”) for Employees and Directors to report instances of unethical behavior, actual or suspected fraud or violation of the Code of Conduct of GSIL.

### 2. COVERAGE

All the Employees and Directors of the GSIL.

### 3. DEFINITIONS:

Unless the context otherwise requires, the following words and expressions as under herein shall have the following meanings ascribed to them:

**"Audit Committee"** means the Audit Committee of Directors of the Company.

**"Code"** means the Employee Code of Conduct and includes various codes made applicable to the Employees of the Company from time to time.

**"GSIL"** means Gujarat State Investments Limited.

**"Company"** means GSIL.

**"Director"** means director on the Board of Directors the Company.

**"Employee"** means every employee of the Company including regular employees, deputed employees, trainees, apprentices and employees engaged on a contractual basis.

**"Investigators"** mean those persons (including outside agencies/independent authorities) authorised, appointed, consulted or approached by Audit Committee and includes the auditors of the Company and Police.

**"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

**"Subject"** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

**"Whistle Blower"** means Employee or Director making a Protected Disclosure under this Vigil Mechanism.

## 4. SCOPE

### A. Eligibility:

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

### B. Disqualifying factors for Whistle Blowing:

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make three or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this mechanism

### C. Role of Whistle Blower:

1. The Whistle Blower's role is that of a reporting party with reliable information. He / She will not be required or expected to act as an investigator or finder of facts, nor can he/she determine the appropriate, corrective or remedial action that may be warranted in a given case.
2. Whistle Blowers should not 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 Audit Committee or the Investigators

### D. Protection of Whistle Blower:

- i. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- ii. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistle Blower
- iii. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Vigil Mechanism. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of

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termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- iv. A Whistle Blower may report any violation of the above clause to the Chairman of Audit Committee, who shall investigate into the same and recommend suitable action to the management of the Company.
- v. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment, any abuse of this protection will warrant disciplinary actions.
- vi. Protection under this vigil mechanism would not mean protection from disciplinary action arising out of false or bogus allegations made by Whistle Blower knowing it to be false or bogus or with a *mala fide* intention

**E. Complaint Procedure:**

- a. All Protected Disclosures should be addressed to the Chairman of the Audit Committee.
- b. If a protected disclosure is received by any Employee or Director of the Company other than the Chairman of Audit Committee, the same should be forwarded to the Chairman of Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- c. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- d. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower along with his/her signature. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation as and when required.

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- e. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- f. For the purpose of providing protection to the Whistle Blower, the Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained.

**F. Investigation Procedure:**

- a. All the Protected Disclosures reported under this vigil mechanism will be thoroughly investigated by the Chairman of the Audit Committee.
- b. The Investigating Authority may at its discretion consider involving investigators for the purpose of investigation.
- c. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards. If any of the member of the Audit Committee has any conflict of interest in a given case, they should recuse themselves from the investigation procedure and others on the committee would deal with the matter on hand.
- d. Investigations will be launched only after preliminary review by the Chairman of the Audit Committee which establishes that:
  - The alleged act constitutes an improper or unethical activity or conduct, and
  - The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information but the matter is worthy of management review.

The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process.

- e. The identity of a Subject and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation. However, the investigation process may inevitably reveal source of information and the Whistle Blower may need to provide a statement which cannot be kept confidential if legal proceedings arise.

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- f. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- g. Subjects shall have a duty to co-operate with the members of the Audit Committee 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.
- h. Subjects have a right to consult with a person or persons of their choice, other than the Investigators 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. However if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.
- i. Subjects 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 Subjects.
- j. 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 good evidence in support of the allegation.
- k. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, 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.
- l. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure
- m. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Vigil Mechanism. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion refusal

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of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

- n. A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- o. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- p. Any other Employee or Director assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

**G. Disciplinary Action:**

If an investigation leads the Audit Committee, to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend to the Managing Director of the Company to take such disciplinary or corrective actions as may be deemed fit.

**5. AMENDMENT**

The Company reserves its right to amend or modify this Vigil Mechanism in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and directors unless the same is notified to the Employees and Directors.

**Date: 07.11.2019**

**Place: Gandhinagar**