



GUJARAT INDUSTRIES POWER COMPANY LTD

Regd. Office : P.O. Petrochemicals – 391 346, Dist. Vadodara (Gujarat)

Tel. No. 0265 –2230159, 2232768, 2232213, Fax No. 0265 2230473

Email : csacshah@gipcl.com Website : www.gipcl.com,

CIN – L99999GJ1985PLC007868

VIGIL MECHANISM / WHISTLE BLOWER POLICY (the Policy)

1. PREFACE

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 (the Act) and revised Clause 49 of Listing Agreement – Corporate Governance - with the Stock Exchanges, all listed companies are required to establish a Vigil Mechanism / Whistle Blower policy for the Directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company’s Code of Conduct. Gujarat Industries Power Company Limited (GIPCL) has adopted a Code of Conduct (“the Code”) for Directors and Senior Management Personnel (as defined in “the Code”), which lays down the principles and standards that shall govern the actions of the Directors and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for GIPCL. Such a vigil mechanism shall provide for adequate safeguards against victimization of Directors and employees who avail of such mechanism and also make provision for direct access to the Chairman of Audit Committee in exceptional cases.

GIPCL being a Listed Company establishes the following Vigil Mechanism / Whistle Blower Policy.

2. SCOPE

2.1. This Policy is an extension of the Code of Conduct. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the Code of Conduct (“the Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. Vigil Mechanism provides a channel to the employees and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Code to the Ethics Counselor and also for direct access to the Chairman of the Audit Committee, in exceptional cases. The Mechanism provides for adequate safeguards against victimization of employees and Directors.

The Policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

- 2.2. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle Blowers have no right to participate in any investigative activities other than as requested by the Ethics Counselor or the Chairman of the Audit Committee or the Investigators. Protected Disclosure will be appropriately dealt with by the Ethics Counselor or the Chairman of the Audit Committee, as the case may be.

3. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

- 3.1. **“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 read with revised Clause 49 of the Listing Agreement with the Stock Exchanges.
- 3.2. **“Employee”** means every employee of the Company, including the Directors in the employment of the Company.
- 3.3. **“Code”** means Code of Conduct for Directors and Senior Management Personnel (as defined in “the Code”) adopted by GIPCL.
- 3.4. **“Ethics Counselor”**, Managing Director of the Company shall be the Ethics Counselor.
- 3.5. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Ethics Counselor / Chairman of the Audit Committee and includes the auditors of the Company and the police.
- 3.6. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 3.7. **“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.
- 3.8. **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.

4. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

5. Disqualifications

- 5.1. 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.
- 5.2. 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.

- 5.3.** Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make two (2) 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 Policy.

6. PROCEDURE

- 6.1.** All Protected Disclosures concerning financial / accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- 6.2.** In respect of all other Protected Disclosures, those concerning the Ethics Counselor and employees at the levels of General Manager and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning other employees should be addressed to the Ethics Counselor of the Company.
- 6.3.** All Protected Disclosures should be reported in writing and addressed to the Ethics Counselor or the Chairman of the Audit Committee, as the case may be. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy".

The contact details of the Ethics Counselor are as under:

L. Chuaungo, IAS.

Gujarat Industries Power Company Ltd.,

P.O.: Petrochemicals – 391 346, Dist.: Vadodara.

The contact details of the Chairman of the Audit Committee are as under:

Dr. P K Das, IAS (Retd.)

Gujarat Industries Power Company Ltd.,

P.O.: Petrochemicals – 391 346, Dist.: Vadodara.

- 6.4.** If a protected disclosure is received by any executive of the Company other Than Chairman of Audit Committee or the Ethics Counselor, the same should be forwarded to the Company's Ethics Counselor or the Chairman of the Audit Committee for further appropriate action.

Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

- 6.5.** 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.
- 6.6.** The Protected Disclosure should be forwarded under a covering letter which Shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee / Ethics Counselor, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- 6.7.** 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.
- 6.8.** For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

7. INVESTIGATION

- 7.1.** All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Counselor / Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- 7.2.** The Ethics Counselor / Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- 7.3.** The decision to conduct an investigation taken by the Ethics Counselor / Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- 7.4.** 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.
- 7.5.** 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.
- 7.6.** Subjects shall have a duty to co-operate with the Ethics Counselor / Chairman 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.
- 7.7.** Subjects have a right to consult with a person or persons of their choice, other than the Ethics Counselor / Investigators 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. However, if the allegations against the subjects are not sustainable, then the Company may see reason to reimburse such costs.
- 7.8.** 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.
- 7.9.** 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.
- 7.10.** 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.
- 7.11.** The investigation shall be completed normally within ninety (90) days of the receipt of the Protected Disclosure.

8. PROTECTION

- 8.1.** No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. 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 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 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.

- 8.2. 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.
- 8.3. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- 8.4. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9. Investigators

- 9.1. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Ethics Counsellor / Audit Committee when acting within the course and scope of their investigation.
- 9.2. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- 9.3. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee or the Ethics Counselor, as the case may be, which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct; and
 - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

10. DECISION

If an investigation leads the Ethics Counselor / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Ethics Counselor / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Ethics Counselor / Chairman of the Audit Committee may deem fit. It is clarified that 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.

Whistle Blower who makes false allegations of unethical and improper practices or about alleged wrongful conduct of the subject to the Ethics Counselor / Chairman of the Audit Committee shall be subject to appropriate

disciplinary action in accordance with the rules, procedures and policies of the Company.

11. REPORTING

The Ethics Counselor shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him / her since the last report together with the results of investigations, if any.

12. INTERPRETATION

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and / or any other SEBI Regulation(s) as amended from time to time.

13. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

14. 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 minimum period of seven years.

15. AMENDMENT

Managing Director of the Company is authorized for the administration, interpretation, application and review this Policy to amend it in whole or in part, at any time, if required, with the concurrence of the Audit Committee. However, no such amendment or modification will be binding on the employees unless the same is notified to them in writing.

16. NOTIFICATION

All departmental heads are required to notify and 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 Managing Director that this Policy was notified to each employee of his department. The new employees shall be informed about the Policy by the HR department and statement in this regard should be periodically submitted to the Managing Director. This policy as amended from time to time shall be made available at the website of the Company.

17. DISCLOSURE IN ANNUAL REPORT

The details of establishment of Vigil Mechanism / Whistle Blower Policy shall be disclosed by the Company in its Annual Report under the "Board's Report".

18. ANNUAL AFFIRMATION

The Company shall annually affirm that it has not denied access by any Director or employee 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.

04th July, 2014.

**(L Chuaungo, IAS)
Managing Director.**