

# VIGIL MECHANISM

# POLICY

(W.e.f. 30/05/2014)

## 1. BACKGROUND

- 1.1 Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Powers) Rules, 2014 inter alia states that every listed company shall establish a vigil mechanism for the directors and employees to report genuine concerns or grievances. Such mechanism is intended to provide for adequate security against victimization of employees who may use such mechanism.
- 1.2 Further, Clause 49 of Listing Agreement amended vide SEBI Circular dated April 17, 2014, also prescribes Vigil Mechanism under the name and style of “Whistle Blower” Policy.

## 2. POLICY OBJECTIVES

- 2.1 A Vigil Mechanism provides a channel to the employees and directors of the Company to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- 2.2 This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

## 3. SCOPE OF THE POLICY

This Policy covers malpractices and events which have taken place/ suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

## 4. IMPORTANT DEFINITIONS

- 4.1 “**Audit Committee**” means a Committee constituted by the Board of Directors of the Company as an Audit Committee under Companies Act, 2013 and rules made there under and Clause 49 i.e. Corporate Governance of Listing Agreement.
- 4.2 “**Board**” means the Board of Directors of the Company.
- 4.3 “**Company**” means Ganesh Housing Corporation Limited (GHCL).

- 4.4 **“Employee”** means all the present and future employees and Key Managerial Personnel of the Company.
- 4.5 **Protected Disclosure:** Any communication in relation to an unethical practice or behaviour or illegal activities or wrongdoings made in good faith of the company by Whistleblower
- 4.6 **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.
- 4.7 **Unethical Behaviour:**
- a) An act which does not confirm or match to the approved standard i.e. code of conduct of social, ethical and professional behaviour of the company and all the stakeholders related to the company;
  - b) An act which leads to unethical business practices;
  - c) Improper or unethical conduct;
  - d) Breach of etiquette or morally offensive behavior;
  - e) Any sort of harassment including mental or physical;
  - f) Fraudulent financial accounting, auditing and reporting;
  - g) Acts that are not in line with or violation of applicable company policy;
  - h) Any unlawful act;
  - i) Breach of internal compliance requirements and any activity related to it;
  - j) Misappropriation/theft/embezzlement of company assets or property;
  - k) Employee negligence;
  - l) Health, safety, environment and security related;
- 4.8 **Vigil Mechanism** [Hereinafter referred to as Mechanism]: A policy that provides a secure avenue to directors and employees of the company for raising their concerns against the unethical practices of each and every kind.
- 4.9 **Whistle blowing:** An act of informing or submission in writing, or reporting the responsible authorities about any confirmed or suspected unethical practices, wrongdoings or illegal activities in the company or related to the company or indirectly affecting the company.
- 4.10 **Whistleblower/Complainant:** is an employee/director or group of employees/directors who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

## 5. ELIGIBILITY

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

## 6. DISQUALIFICATIONS

- 6.1 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.
- 6.2 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.
- 6.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make 3 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.

## 7. GUIDING PRINCIPLES

To ensure that this Policy is adhered to, and to assure that the concern or complaint brought up to the management will be acted upon seriously and GHCL will:

- 7.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure or giving any sort of information related to unethical behavior or practices is/are not victimized for doing so and is adequately protected against any such incident all the time.
- 7.2 Treat victimization as a serious matter including initiating disciplinary action or incase the matter is serious in nature initiate punitive actions with the help and permission of the prescribed authority as may be required, on such person(s)
- 7.3 Ensure complete confidentiality of the matter as well as of the person/s who are accused and of the complainant till the time the guilt is not proved.
- 7.4 Not attempt to conceal or alter or change or destroy evidence of the Protected Disclosure.
- 7.5 Take disciplinary or punitive action, if any one destroys or conceals or changes or alters evidence of the Protected Disclosure made/to be made.

- 7.6 Provide an opportunity of being heard to the person/s involved and related specially to the Subject.
- 7.7 This policy extends to all employees of the company and is deemed to be incorporated in the service conditions of all employees and comes into effect immediately.

## **8. PROCEDURES**

- 8.1 The whistle blowing procedure is intended to be used for serious and sensitive issues.
- 8.2 Protected Disclosures should be reported in writing through hard copy/mail by the complainant as soon as possible after the whistle blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in Gujarati.
- 8.3 All protected disclosures of serious concerns shall be disclosed by whistle blower to the Company Secretary of the Company and in case it involves the Company Secretary or the Senior Personnel (viz. Presidents) of the respective department or Directors to the Managing Director and in exceptional cases to the Chairman of Audit Committee through e-mail addressed to '[vigil.ac@ganeshhousing.co.in](mailto:vigil.ac@ganeshhousing.co.in)'.
- 8.4 The Protected Disclosure should be forwarded under a covering letter signed by the complainant/whistle blower as per Annexure - A. The first receipt viz. Company Secretary/ MD / Chairman of Audit Committee as the case may, shall detach the covering letter bearing the identity of the whistle blower and process only the Protected Disclosure.
- 8.5 The Company Secretary shall immediately forward Whistle Blower Report to Senior Personnel (viz. Presidents) of the respective department or Managing Director or Chairman of Audit Committee as the case may be.
- 8.6 Senior Personnel (viz. Presidents) of the respective department or 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.
- 8.7 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 to investigate into the matter and prescribe the scope and time limit therefore.

8.8 Audit Committee shall have right to outline detailed procedure for an investigation. Where the Audit Committee has designated a senior executive or a committee for investigation, they shall mandatorily adhere to scope and procedure outlined by Audit Committee for investigation.

8.9 The Audit Committee or officer or committee, 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.

8.10 A report shall be prepared after completion of investigation and the Audit Committee shall consider the same. After considering the report, the Audit Committee shall determine the cause of alleged Adverse Personnel action and may order for appropriate course of action, 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.
- d) Disciplinary action, including dismissal, if applicable, as well as preventive measures for the future.

8.11 Subject to legal constraints, he will receive information about the outcome of any investigations. After completion of all discussions, the final report shall be prepared. The decision of 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 Board to reprimand, take disciplinary action, impose penalty / punishment, order recovery of losses/damage to the Company 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;
- c) any other action as it may deem fit.

## **9. CONFIDENTIALITY**

The Whistle Blower, Subject, Audit Committee and every other person engaged or involved in the process shall:

- a) Maintain complete confidentiality/ secrecy of the matter;

- b) Not to discuss the matter in any informal/social gatherings/ meetings and with any colleagues or others;
- c) Discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
- d) Not to keep the papers unattended anywhere at any time;
- e) Keep the electronic mails/files protected under password;
- f) If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit by the Audit Committee.

## **10. NON-VICTIMIZATION**

10.1 It is hereby declared that there will be no adverse personnel action, victimization, retaliation or discrimination against the whistleblower. If a whistleblower has been victimized, discriminated or retaliated against, he or she may lodge a written complaint to the Managing Director or Chairman of the Audit Committee. Such complaints shall be investigated as deemed fit by the Managing Director or Chairman of the Audit Committee.

10.2 If as a result of such investigations, Subject is found to have taken adverse personnel action directly or indirectly, victimized, or discriminated or retaliated against whistleblower, the Audit Committee may recommend action against such individual, which could include termination of his/her services with the company and/or initiation of appropriate legal action against the individual. The Chairman shall take appropriate action on the basis of the recommendation of the Audit Committee.

10.3 The above protection against victimization, retaliation or discrimination will also be available (to same extent) to a person who offered evidence or made written statements or otherwise participated in the investigation process.

## **11. PRECAUTIONS**

It may be noted that an individual who knowingly makes frivolous, misleading or false complaints, he will not be protected by this Policy and also will be penalized, if needed. This will also apply to those individuals, who make false statements or give false evidence during the investigations. Also, please note that, this policy is not a grievance redressal or incident management policy and thus no complaints of such nature shall be addressed using this policy because this policy is mainly concerned with the redressals of indoor management alongwith all the employees and directors for various offences in the company

## **12. COMMUNICATION**

A Vigil policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board / web site of the company.

## **13. AMENDMENTS**

This Policy may, from time to time, be modified or amended, as deemed fit by the Board or Audit Committee.



## **Annexure – A**

(Strictly private & confidential)

Date:

**From:**

[Name]

[Employee Code]

[Designation]

[Department]

**To:**

Company Secretary/Managing Director/  
Chairman of Audit Committee

Ganesh Housing Corporation Limited

Ganesh Corporate House,

100 Feet Hebatpur-Thaltej Road,

Near Sola Bridge, Off S. G. Highway,

Ahmedabad 380 054

Dear Sir/Madam,

**Sub:**

With reference to above, I/We, hereby wish to avail the Vigil Mechanism of Ganesh Housing Corporation Limited to report unethical behavior more particularly described in the enclosed complaint box.

Thanking You,

Yours faithfully

\_\_\_\_\_  
(Signature of Complainant)

*Note: In case of joint complaint, the said covering shall be send by any one of the complainant and name of each complainant shall be provided in a separate sheet alongwith their signature.*

**COMPLAINT BOX:**

Name of Subject against whom complaint is to be lodged:
Facts of Case:
Proofs, if any:
Damage or Loss caused:
Whether the above loss is official or personal: