

VIGIL MECHANISM AND WHISTLE BLOWER POLICY OF GIL

1. BACKGROUND

- 1.1 Under Section 177(9) of the Companies Act 2013, every listed company is required to establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. Also, as per Section 177(10) of the Companies Act, 2013, such a vigil mechanism is required to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Also, the details of establishment of such mechanism are required to be disclosed by the company on its website and in the report of the Board of Directors.
- 1.2 Further, as per Companies (Meetings of Board and its Powers) Rules 2014, among others, a company which has accepted deposits from the public and a company which has borrowed money from banks and public financial institutions in excess of Rs.50 crore is required to establish a vigil mechanism.
- 1.3 Also, Clause 49 of the Listing Agreement between listed companies and the stock exchanges, as amended from time to time, inter alia, provides for all listed companies to establish a vigil mechanism for directors and employees to report, concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism is also required to provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee of the company in exceptional cases. As also provided under the Companies Act, 2013, the details of establishment of such mechanism is required to be disclosed on the Company's website and in the report of Board of Directors.
- 1.4 In light of the aforesaid background and further as a responsible law abiding corporate citizen, GIL has established this Vigil Mechanism and Whistle Blower Policy (hereinafter referred to as "**Policy**").

2. POLICY OBJECTIVES

- 2.1 This Policy provides a channel to the directors and employees of GIL to report to the management, inter alia, concerns about unethical behaviour, fraud or violation of the Company's Code of Conduct (Refer Clause 4.1 here-in). The mechanism provides for adequate safeguards against victimization of employees of GIL and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.
- 2.2 It is clarified that this Policy neither absolves 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. DEFINITIONS

“Alleged wrongful conduct” shall mean violation of law, infringement of Company’s rules, misappropriation of monies, actual or suspected fraud or abuse of authority for any fraud / unethical conduct, as included in the “Scope of the Policy”.

“Audit Committee” means a Committee constituted by the Board in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

“Board” means the Board of Directors of the Company.

“Company” means the Graphite India Limited (GIL).

“Employee” means all permanent employees – on the roles of the company and whole time Director/s of the Company.

“Nodal Officer” means an officer of the Company nominated by the Executive Director (ED) of the Company to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee of the Company for its disposal and informing the whistle blower the result thereof.

“Protected Disclosure” means a concern raised by a Director or an employee or a group of employees of the Company, through a written communication and made in good faith which discloses with evidence an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain specific evidence to allow for proper assessment of the nature and extent of the concern alongwith a declaration as per annexure A to this policy.

“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.

“Whistle Blower” is a Director or an employee or group of employees who make a Protected Disclosure under this Policy.

“Investigators” means persons/ bodies appointed, consulted or approached by the Nodal Officer [NO] / Chairperson of the Audit Committee [CAC] and may include the auditors of the Company.

4. SCOPE OF THE POLICY

- 4.1 This Policy inter alia covers malpractices, misuse or abuse of authority, fraud / unethical conduct, 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. The Whistle Blower’s role is that of a reporting party with reliable evidence.

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.
- 5.3 Whistle Blowers, who make a Protected Disclosure, which has been subsequently found to be false or bogus or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, Audit Committee/ NO would reserve its right to take/ recommend appropriate disciplinary action.
- 5.4 Notwithstanding anything stated in this Policy, issues with regard to promotions, increment, performance incentive, leave sanctions, transfer or any other action arising out of terms of employment or actions pursuant to company's initiative towards lean management will not be dealt with under this Policy.

6. PROCEDURE

- 6.1 All Protected Disclosures concerning financial/accounting matters of the Company should be addressed to the CAC of the Company for investigation.
- 6.2 In respect of all other Protected Disclosures, those concerning the NO and employees at the levels of Vice Presidents or above should be addressed to the CAC of the Company and those concerning other employees should be addressed to the NO of the Company.
- 6.3 The contact details of the Chairman of the Audit Committee are as under:

Mr N. Venkataramani
Flat No. B-4, Amarvatee
II Floor, 48 (Old No. 68)
II Main Road, Gandhinagar,
Adyar, Chennai 600 020
Email : venkat@graphiteindia.com

The contact details of the Nodal Officer are as under:

Mr B. Shiva
Graphite India Ltd.
2nd Floor, Bakhtawar,
Nariman Point Mumbai 400 021
Email : bshiva@graphiteindia.com

- 6.4 If a Protected Disclosure is received by any executive of the Company other than CAC/NO, the same should be forwarded to the CAC /NO, as applicable as per Clause 6.1 and Clause 6.2 above for further appropriate action.
- 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 or Hindi & signed by the whistle blower.
- 6.6 The Protected Disclosure alongwith Annexure A (from employees) should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The CAC/NO, as the case may be shall detach the covering letter alongwith Annexure A and forward only the Protected Disclosure to the Investigators for investigation. Any disclosure without Annexure A will not be processed.
- 6.7 The Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- 6.8 After making a “Protected Disclosure” where an employee resigns / retires, settlement of the dues would be done after the conclusion of the investigation.
- 6.9 On submission of resignation/ termination, an employee becomes ineligible for making a “Protected Disclosure”.

7. INVESTIGATION

- 7.1 All Protected Disclosures reported under this Policy will be investigated in the manner and mode as decided by the CAC/NO on a case to case basis including involving any Investigators for the purpose of investigation.
- 7.2 The decision to conduct an investigation taken by the CAC/NO 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 reporting of the Whistle Blower that an improper or unethical act was committed.
- 7.3 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.
- 7.4 Subjects shall have a duty to co-operate during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- 7.5 Subjects have a right to consult with a person or persons of their choice, other than the CAC/ NO / Investigators / 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 shall reimburse such costs.

- 7.6 Subjects/ Whistle Blower have a responsibility not to interfere with the investigation.
- 7.7 Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, coerced, threatened or intimidated by the Subjects / Whistle Blower.
- 7.8 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 wrong doing against a Subject shall be considered as maintainable, unless it is proved.
- 7.9 It shall be the endeavour of the Company to have the investigation completed within 45 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. Protection will, therefore, be given to Whistle Blowers against any unfair practice.
- 8.2 The identity of the Whistle Blower shall be kept confidential during the process of investigation to the extent possible and permitted under law.
- 8.3 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 search towards fact-finding and analysis. Investigators shall derive their authority and access rights from the CAC/NO 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 as determined fit by the Investigators. All Investigators shall be unbiased. Investigators have to be fair, objective, thorough, ethical and observe legal and professional standards.

10. DECISION

If an investigation leads the CAC/NO to conclude that an improper or unethical act has been committed, the CAC shall recommend to the management of the Company to take such disciplinary or corrective action as the CAC/NO 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 legal provisions.

11. REPORTING

A report to the Audit Committee shall be submitted on a “calendar quarter” basis about all Protected Disclosures together with the results of investigations.

12. RETENTION OF DOCUMENTS

All Protected Disclosures along with the results of investigation relating thereto shall be retained by the NO for a minimum period of five years.

13. 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.

14. NOTIFICATION

This Policy shall be communicated within the Company by putting it on the Company's website.

(Approved by Board of Directors on 10.11.2014)

Annexure - A

Date:.....

To,

The Chairman of Audit Committee/ Nodal Officer
of Vigil Mechanism and Whistle Blower Policy.
Graphite India Limited.
31, Chowringhee Road
Kolkata. 700016.

Subject: Declaration towards the authenticity of the disclosure/complaint and awareness of implications in case of false allegations/ complaint is submitted.

Sir/Madam,

I am working with effect from, and presently designated as,
working indepartment at plant/location.

I have made a written allegation/complaint against Mr/ Ms.....,
working as, in thedepartment atplant/location, as per
the provision/s of above policy of the Company.

I declare that, the disclosure/ complaint made by me, against the above named employee, is authentic and if after the investigations it is found to be false, then I will accept any disciplinary action/s as decided by the Company, including financial penalty & termination.

Signature of the Complainant

Name of the Complainant