



GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

VIGIL MECHANISM
CUM
WHISTLE BLOWER POLICY

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GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

AHMEDABAD

CIN : L14100GJ1963SGC001206

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 Mineral Development Corporation Limited (GMDC) 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 GMDC. 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.

GMDC 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 GMDC.
- 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.

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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 three (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.

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 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 Chairmanship of the Audit Committee, as the case may be. The Protected Disclosure should be submitted in a closed envelope and should be superscribed as "Protected disclosure under the Whistle Blower policy"

The contact details of the Ethics Counselor are as under:

Managing Director

Gujarat Mineral Development Corporation Limited

Khanij Bhavan, 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-380 052

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

Shri Bhadrash V. Mehta, Director

Gujarat Mineral Development Corporation Limited

Khanij Bhavan, 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-380 052

6.4 If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee of 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 Whistle Blower.

6.6 The Protected Disclosure should be forward 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.

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- 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