

GHARDA CHEMICALS LIMITED

VIGIL MECHANISM POLICY

(Pursuant to Section 177 of the Companies Act, 2013)

Gharda Chemicals Limited (GCL) follows highest standards of business ethics and management practices in the conduct of its business.

The Vigil Mechanism Policy is applicable to all employees and/or Directors in Gharda Chemicals Limited with a purpose to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing the superior. Individuals will be protected against any adverse action and/ or discrimination as a result of such a reporting, provided it is justified and made in good faith.

The assurance and co-operation from the Management in safeguarding the interest of the individuals who choose to report matters of principles of the Management is reinforced by the Vigil Mechanism Policy. In the process, it is also ensured that the Policy is not misused.

This Policy is issued pursuant to Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014.

The relevant provisions are reproduced here below:-

*“**Section 177(9)** - Every listed company or such class or classes of companies(*), as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.*

***Section 177(10)** - The vigil mechanism under sub-section (9) shall 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.*

Provided that the details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board's report.”

“() **Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.***

Establishment of vigil mechanism

(1) Every listed company and the companies belonging to the following class or classes shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances-

*(a) the Companies which accept deposits from the public;
(b) the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.*

(2) The companies which are required to constitute an audit committee shall oversee the vigil mechanism through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

(3) In case of other companies, the Board of directors shall nominate a director to play the role of audit committee for the purpose of vigil mechanism to whom other directors and employees may report their concerns.

(4) The vigil mechanism shall provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.

(5) In case of repeated frivolous complaints being filed by a director or an employee, the audit committee or the director nominated to play the role of audit committee may take suitable action against the concerned director or employee including reprimand.”

Applicability to Gharda Chemicals Limited

Gharda Chemicals Limited is not a listed Company nor has it accepted deposits from Public. However, the Vigil Mechanism Policy becomes applicable to Gharda Chemicals Limited on account of its borrowings from banks in excess of Fifty Crore rupees. [Rule 7(1)(b)]

The Vigil Mechanism Policy is applicable to all employees and/ or Directors in Gharda Chemicals Limited.

Safeguarding your Interests.

Employees/ Directors will be protected against any adverse action and/or discrimination as a result of a reporting under this policy, provided it is justified and made in good faith. The issues raised could include:-

1. Reporting in good faith, your belief that there is waste of organization funds.
2. Reporting in good faith the violation or suspected violation of a law, rule or regulation.
3. Participating in or giving information in an investigation, hearing, court proceeding, legislative or other inquiry, or other administrative review.
4. Objecting or refusing to carry out a directive that you believe in good faith, may violate a law, rule or regulation.

5. If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. If a complaint is malicious or vexatious, disciplinary action will be taken.

The organization is forbidden from taking any adverse action against the Complainant for exercising rights as listed above. Adverse action includes:-

1. Discharging, or
2. Threatening, or
3. Discriminating against employment.

Lodging a Complaint

Genuine complaint or concern about any fraud or violation of a law, rule or regulation or unacceptable, improper or unethical practice may be raised with the superior or the members of the Audit Committee.

Audit Committee Members:

The names of the Audit Committee members are as under:-

1. Mr P.R. Barpande (Chairman of Audit Committee)
Email Id: pbarpande@gmail.com
2. Dr.Percy R Kavasmaneck
Email Id: prkavasmaneck@gharda.com
3. Mr D.T. Desai
Email Id: desaidt@gmail.com
4. Dr. S.D. Israni
Email Id: sdisrani@gmail.com
5. Mr. D.T. Khilnani
Email Id: dtkhilnani@yahoo.co.in