

G.S. Auto International Limited

Vigil Mechanism Policy

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A.1 Introduction

G.S. Auto International Limited (hereafter referred to as “Company”) believes in promoting a fair, transparent, ethical and professional work environment. While the Company has adopted the Code of Conduct which defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the standards defined in the code. The mechanism is also intended to cover the Whistleblower Mechanism aspect of the SEBI’s Listing Agreement.

Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 requires every listed company to establish a vigil mechanism/ whistle blower policy for the Directors and employees to report genuine concerns in such manner as may be prescribed. Clause 49 (II) (F) of the Amended Listing Agreement between Listed Companies and the Stock Exchanges, inter alia, provides for a mandatory requirement for all **listed companies to establish a mechanism called ‘Whistle Blower Policy’** for employees to report to the management instances of unethical behavior, actual or **suspected, fraud or violation of the company’s code of conduct** or ethics policy. Accordingly, this Vigil Mechanism/ **Whistleblower Policy (“the Policy”)** **has been** formulated with a view to provide a mechanism for employees of the Company to report to management instances of unethical behavior, actual or suspected fraud or **violation of the company’s code of conduct or ethics policy.**

A.2 Objective

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy to come forward and express these concerns without fear of punishment or unfair treatment. Accordingly, this Vigil Mechanism/ **Whistleblower Policy (“the Policy”)** **has been** formulated with a view to provide a mechanism for employees of the Company to report to management instances of unethical behavior, actual or suspected fraud or **violation of the company’s code of conduct or ethics policy.**

A.3 Terms and References

In the policy, the following terms shall have the following meanings:

- a) Audit Committee: An audit committee is an operating committee formed by the Board of Directors in accordance with Section 177 of the Companies Act 2013 and charged with oversight of financial reporting and disclosure.
- b) Whistleblower: An individual who makes a protected disclosure under this mechanism. This could be an Employee, Director, Vendor, Supplier, Dealer and Consultant, including Auditors and Advocates of the Company.
- c) Policy: “Policy” or “This Policy” means, “Vigil Mechanism/ Whistleblower Policy.”

- d) Protected Disclosure: Any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the Company.
- e) Code of Conduct: A code of Business Conduct and Ethics.
- f) Board of Directors: A body of elected or appointed members who jointly oversee the activities of the Company.
- g) Ethics Officer: An officer **appointed to receive** protected disclosures from whistle blowers, conducting investigation of the case, maintaining records thereof, placing the investigation report to the Audit Committee as the case may be, for its disposal and informing the Whistle Blower of the result thereof.
- h) Selected employees of the Company who are authorized to receive whistleblower complaints internally or through a third party helpline.
- i) Investigators: Selected employees or third parties charged with conducting investigations to ascertain the credibility of such whistleblower complaints.
- j) Subject: A person against whom, or in relation to whom a Protected Disclosure is made.
- K) Disciplinary Action: It means any action that can be taken on the completion of/ during the investigation proceedings including but not limiting to a warning, imposition of fine, Suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

A.4 Guiding Principles:

To ensure effective implementation of vigil mechanism, the company shall:

- a. Ensure protection of the whistleblower against victimization for the disclosures made by him/her.
- b. Ensure complete confidentiality of the whistleblower identity and the information provided by him/her.
- c. Ensure that the protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.
- d. Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- e. Ensure whistleblower would not get involved in conducting any investigative activities other than as instructed or requested by Ethics Committee or Chairman of the Audit Committee.
- f. Ensure the subject or other involved persons in relation with the protected disclosure be given an opportunity to be heard.
- g. Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.

A.5 Protection Mechanism for whistleblower:

- a. A whistleblower would be given the option to keep his/ her identity anonymous while reporting an incident on Ethics Helpline. The company will make no attempt to discover the identity of an anonymous whistleblower.
- b. A whistleblower may make a Protected Disclosure without fear of retaliation or intimidation. The Audit Committee and the Ethics Committee would safeguard the whistleblower from any adverse action. This includes discrimination, victimization, retaliation, demotion, intimidation or adoption of any unfair employment practices.
- c. Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the whistleblower.
- d. Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a whistleblower.

A.6 Coverage of the vigil mechanism

All employees, directors, vendors, suppliers, dealers and consultants, including auditors and advocates who are associated with the Company can raise concerns regarding malpractices and events which may negatively impact the company.

- a. Inaccuracy in maintaining the Company's books of account and financial records
- b. Financial misappropriation and fraud
- c. Procurement fraud
- d. Conflict of interest
- e. False expense reimbursements
- f. Misuse of company assets & resources
- g. Inappropriate sharing of company sensitive information
- h. Corruption & bribery
- i. Insider trading
- j. Unfair trade practices & anti-competitive behaviour
- k. Non-adherence to safety guidelines
- l. Sexual harassment
- m. Child labor
- n. Discrimination in any form
- o. Violation of human rights

All matters not covered under this mechanism can be reported directly to your one over manager or your Human Resources contact.

A.7 Reporting Mechanism:

All Protected Disclosures should be made to the Audit Committee of the Company by letter addressed to the Chairman of the Audit Committee, marked “**Protected disclosure under the Whistle Blower policy**” and delivered at the following address:

The Chairman,
Audit Committee,
G.S. Auto International Limited,
G.S. Estate, G T Road,
Ludhiana-141014.

If a Protected Disclosure is received by any executive of the Company other than Chairman of the Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action.

Protected Disclosures should preferably 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 Whistleblower.

The Protected Disclosure should be forwarded under a covering letter which may bear the identity of the Whistleblower. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

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 and the urgency of a preliminary investigative procedure.

The Whistleblower may disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will also be entertained. However it may not be possible to interview the Whistleblowers and grant him/her protection under the policy.

A.8 Investigation

- a. The investigation would be carried out to determine the authenticity of the allegations and for fact-finding process.
- b. The investigation team should not consist of any member with possible involvement in the said allegation.
- c. During the course of the investigation:
 - i. Audit Committee will be given authority to take decisions related to the investigation.
 - ii. Any required information related to the scope of the allegation would be made available to the investigators.
- d. The findings of the investigation should be submitted to the Audit Committee by the investigator with all the supporting documents.
- e.

A.9 Maintaining secrecy and confidentiality

confidentiality. Disciplinary action may be initiated against anyone found not complying with the below:

- a. Maintain complete confidentiality and secrecy of the matter.
- b. The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c. The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.
- d. Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e. Ensure secrecy of the whistleblower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.

A.10 Management decision

- a. The Audit committee shall recommend to the management of the Company to take such disciplinary or corrective action against the Subject as per the Company's disciplinary procedures and can also take legal action, if required.
- b. The decision of the management should be considered as final and no challenge against the decision would be entertained, unless additional information becomes available.
- c. In case of frivolous or false complaints, action may be taken against the complainant.

A.11 Communication:

A Vigil Mechanism/whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be appropriately informed about the same.

A.12 Company's Powers:

Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

A.13 Right to amendment

The Company holds the right to amend or modify the policy. Any amendment or modification of the policy would be done by an appropriate authority as mandated in law. The updated Vigil mechanism would be shared with the employees, suppliers and vendors thereafter.