

WHISLE BLOWER POLICY - GITANJALI GEMS LIMITED

FOREWORD

Dear Colleagues,

The Gitanjali Group has a tradition of conducting business based on high values, principles and beliefs. Our commitment is towards reaching the goals with utmost respect for human values and to serve the interests of group with integrity. Good Corporate Governance entails that the interest of the employees, the shareholders and the society in general be protected at all times. The management realises that this is possible only if there exists an open and transparent culture wherein the concerns of the employees at all levels can be raised and expressed without fear of retribution. To achieve this objective, it is felt necessary to define a specific policy which will enable the employees to report their concerns, which would be looked into and if found to be appropriate will be fully investigated and acted upon.

The objective of the enclosed Policy is to explain and encourage the employees to raise any concern about group's operations and working environment, including possible breaches of group's policies and standards or values or any laws within the country or elsewhere, without fear of adverse managerial action being taken against such employees. Such concerns will always be treated fairly and the concerned employee will be suitably protected.

Should you require any clarification, you may kindly contact Company Secretary of the Company.

Mehul Choksi
Chairman & Managing Director

REGULATORY BACKGROUND

Section 177 of Indian Companies Act, 2013 says that every listed company or such class or classes of companies, as may be prescribed shall establish a vigil mechanism for the directors and employees to report their genuine concerns in such manner as may be prescribed. It further says that such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Further SEBI at its meeting held in February 2014 mandated every listed company to establish a whistle blower mechanism with effect from October 2014.

Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to report the instances of 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.

1. POLICY OBJECTIVES

A Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the any codes of conduct or policy in force. 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. SCOPE OF THE POLICY

2.1 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.

3. ELIGIBILITY

All employees of the Company (whether on pay roll or otherwise) including top management are eligible to make privileged disclosures under the policy.

4. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

4.1 "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act, 1956 read with Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the Stock Exchanges.

4.2 "Employee" means every employee (on payroll or otherwise) of the Company (whether working in India or abroad), including the Directors in the employment of the Company.

4.3 "Investigators" means persons authorised, appointed, consulted or approached by the Audit Committee and includes the auditors of the Company and the police.

4.4 "Privileged Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Such disclosures include, but are not limited to:

- Criminal offences (corporate fraud, corruption, bribery or theft), which has been or is likely to be committed.
- Unethical business conduct and serious irregularities, regulatory or financial.
- Conflict of business interests
- Misuse of Company assets
- Misuse of authority
- Willful suppression of facts
- Funds being used in any unauthorized manner
- Mis-statement in the Company's financial records which include time sheets, sales records and expense reports and distorting the true nature of the transaction.
- Falsification of transactions/documents
- Miscarriage of justice or any injustice which has been or is likely to be done
- Health or safety of any individual/employee is likely to be endangered
- Discrimination occurring to any member of the staff such as favoritism, communal bias, etc.
- Actions exceeding the authority so granted in the day to day course of business
- Any other form of improper action or conduct

4.5 "Subject" means a person against or in relation to whom a Privileged Disclosure has been made or evidence gathered during the course of an investigation.

4.6 "Whistle Blower" means an Employee making a Privileged Disclosure under this Policy.

5. PROCEDURE

5.1 All Privileged Disclosures should be addressed to Audit Committee of the Company and a sealed envelope marked "For Audit Committee – Whistle Blower Policy" should be handed over to Company Secretary, who will then forward these sealed envelopes to the Audit Committee.

5.2. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigators.

5.3 In case of privileged disclosures relating to financial/ accounting matters, the subject can directly approach Chairman of audit committee. The contact details of Chairman of audit committee are as follows:

Name : Mr. S. Krishnan

Address : No. 3, Pyramid Complex, KTN Palayam, Vadavalli, Coimbatore - 641041

5.4 Privileged 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 the Whistle Blower.

5.5 The employee raising the concern is expected to give the background and history of his concern and the reason why he/she is particularly concerned about the circumstances.

5.6 Privileged 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.

5.7 The identity of the employee will be kept confidential if asked to do so and will be disclosed only if it becomes necessary for investigation purposes or in certain circumstances where it is legally required to be so disclosed.

6. INVESTIGATION

6.1 All Privileged Disclosures reported under this Policy will be investigated by the Audit Committee of the Company which will either directly investigate or oversee the investigations.

6.2 In cases where a detailed investigation needs to be conducted, the Audit Committee may direct such investigation to be conducted, if necessary, by an independent external agency. In some cases, there may be an overriding legal obligation to investigate certain types of issues, especially those related to environment and safety and corporate financial fraud/irregularities. The Investigating Authority will give every chance to the concerned subject to present his/her case. The concern raised may be handled and treated by the Audit Committee in any of the following ways:

- Internal investigation.
- Referring to external regulatory or law enforcement officials.
- Referring to external auditors or other investigators or firms, subject to the findings of an independent internal enquiry or,
- By adopting procedures/processes that it deemed appropriate or,
- Referring to such person as it may deem fit or,
- A combination of the above.

6.3 The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process.

6.4 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.

6.5 Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation.

6.6 Subjects have a right to consult with a person or persons of their choice, other than Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at anytime 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 may see reason to reimburse such costs.

6.7 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.

6.8 The investigation shall be completed normally within 60 days of the receipt of the privileged Disclosure.

7. DECISION

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Audit Committee 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 applicable personnel or staff conduct and disciplinary procedures.

8. SAFEGUARDS

The Audit Committee will ensure that no action will be taken against an employee who makes allegation/raises a concern in good faith, reasonably believing it to be true. The Audit Committee will also ensure that there is no harassment or victimization against the employee who has raised a concern in good faith.

In case retaliation by a fellow employee including his immediate superior is brought to the attention of the Audit Committee, it will direct an investigation against such employee or superior and ensure that appropriate disciplinary action, as necessary is taken.

9. DISQUALIFICATIONS

9.1 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.

9.2 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.

9.3 Whistle Blowers, who make any privileged disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make 3 or more Privileged Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Privileged Disclosures under this Policy.

10. PRESERVATION AND CUSTODIAN OF DOCUMENTS

All privileged disclosures in writing or documented along with the results of investigation relating thereto shall be preserved by the Company permanently. The same shall be in custody of Company Secretary of the Company.

11. 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. Such amendment shall be notified to the employees in such appropriate manner as audit committee deemed fit.
