GAGAN GASES LTD

Vigil Mechanism and Whistleblower Policy

This policy was originally framed pursuant to Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.The Policy is amended by way of substitution of references of Clause 49 of Listing Agreement with references of Regulation 22(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which have come into effect from 1st December, 2015.

The Company believes in honest, transparent and ethical business practices to achieve its corporate goals. The Company believes in the maxim that means are as important as the objectives.

Further, Regulation 22(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires all listed companies to devise an effective Whistle Blower Mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. Further, the said clause also requires the Company to establish a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

Explanation: Stakeholders means and includes vendors, suppliers, lenders, customers, business associates, trainees and others with whom the Company has any financial or commercial dealings.

Section 177 of the Companies Act, 2013, read with rules framed there under, also requires the Listed Company to establish a vigil mechanism for their Directors and employees to report their genuine concerns or grievances.

Accordingly, this Vigil Mechanism/Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for Directors and employees and other stakeholders of the Company to approach the Audit Committee of the Company. The Whistleblower Policy plays a significant role in eradication of malpractices in the organization. This policy provides all the stakeholders a platform to point out the irregularities or misuse of rules and regulations or wrongful conduct or misbehavior in the

system without fear or favor. The policy is applicable to all the Directors, employees and the other stakeholders.

The Policy aims at following objectives:

- To encourage Directors, employees and stakeholders to report without any fear of retaliation, to the Audit Committee about any suspected unethical behavior, malpractices, misfeasance, wrongful conduct, fraud, non-adherence to any of the Company's policies, rules and regulations, violation of law, instances of leakages of UPSI etc.;

- To build and strengthen a culture of transparency, integrity, honesty and trust amongst all stakeholders;
- To report alleged wrongful conduct to the Audit Committee;

- Any Director, employee or stakeholder (hereinafter referred to as ("Whistleblower") can make disclosure to the Chairman or any member of Audit Committee through oral or written communication along with all the possible evidence he/she can muster in respect of any alleged unethical and/or improper practices or wrongful conduct or misbehavior, instances of leakages of UPSI. The Whistle blower should honestly believe that some unlawful behavior has been practised within the organization. In the absence of Audit Committee members, the intimation should be given to the Compliance Officer of the Company. All such concerns are to be set forth in writing and forwarded in a sealed envelope to the Chairman or member of the Audit Committee.
- The Audit Committee shall appropriately and expeditiously investigate all whistleblower complaints received.
- The Audit Committee will approach the accused for his defense. The accused may give his defense in writing. The Audit Committee is duty bound to consider the explanation of the accused before reaching to any preliminary conclusion;
- Some of the illustrations of wrongful behavior are listed below:
  Abuse or misuse of authority; Misappropriation of Company's assets including cash etc.; Leakage of confidential and proprietary information; Instances of leakages of

UPSI; Kickbacks and bribes from Company's suppliers and service providers; Manipulation of Company's records / data; Unofficial use of the assets of the Company; Violating various Company policies/Codes, etc.

- Generally anonymous complaints will not be entertained. In exceptional circumstances depending upon the seriousness of the alleged misbehavior, the Audit Committee may, in its absolute and unfettered discretion, take cognizance of such anonymous complaints.

- When an Audit Committee member receives a complaint of wrongful behavior or misconduct, he will immediately call for an Audit Committee meeting and discuss the said complaint in detail.
- The Audit Committee may conduct preliminary investigations and form an opinion as to the veracity of the complaint.
- If the Whistle blower can provide additional evidences at this stage, the Audit Committee may consider the same otherwise the matter will be closed under intimation to him.
- If on the basis of preliminary investigation the Audit Committee comes to the conclusion that the complaint has no basis, then the matter will be conveyed to the Whistle blower accordingly.
- If Audit Committee comes to the conclusion that detailed investigation is necessary based on preliminary investigation then a full-fledged enquiry committee will be appointed to pursue the matter.
- It may also entrust the matter to the Internal Auditors or outside legal, accounting or other experts, as appropriate, to conduct any investigation of complaints regarding financial statement disclosures, accounting, internal accounting controls, auditing matters or unethical behavior, actual or suspected fraud or violations of the Code of Conduct.
- The findings of the enquiry committee or as the case may be, the Internal Auditors or outside legal, accounting or other experts shall be placed before the Audit Committee for its observations. If the accused is found guilty of misconduct or misbehavior, the Audit Committee may recommend to the Board, suitable action including but not limited to termination of his services.

- If the Whistle blower is found to have abused this mechanism, the Audit Committee may recommend to the Board, suitable action including but not limited to termination of his services.
- The Board shall inform the Audit committee, action taken against the person found guilty.
- In conducting any investigation, the Audit Committee shall use reasonable efforts to protect the confidentiality and anonymity of the Whistle blower.

All the disclosure made under this Whistle Blower Policy will be kept strictly confidential to the extent possible subject to the need for such disclosure in the interest of proper investigation if legal proceedings arise and/or as required by any statutory / regulatory authority or investigating agency.

Whistleblower shall not make any disclosures to any person other than committee unless otherwise instructed by the committee during the continuance of the investigation proceedings.

The Company undertakes that the Whistle blower will be protected at all cost, provided he is under honest belief that the alleged misbehavior took place.

There will be no harassment of any nature whatsoever to the Whistle blower provided that he is under honest belief about the behavior. This protection will not be available to any Whistle blower who misuses this mechanism for personal benefits.

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

Chairman.