



ARTEFACT PROJECTS LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY

(Revised w.e.f. 09.02.2016)

VIGIL MECHANISM / WHISTLE BLOWER POLICY



ARTEFACT PROJECTS LIMITED

1. PREFACE

1.1 Section 177 (9) & (10) of the Companies Act, 2013 states that:

- a) 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.
- b) The vigil mechanism 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.
- c) 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.

1.2 Clause 49 of Listing agreement between listed companies and the Stock Exchanges, inter alia, provides that:

- a) The company shall establish a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- b) This mechanism should also provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- c) The details of establishment of such mechanism shall be disclosed by the company on its website and in the Board's report.

1.3 Under these circumstances, Artefact Projects Limited, being a Listed Company proposes to establish a Whistle Blower Policy/ Vigil Mechanism and to formulate a policy for the same.

2. POLICY OBJECTIVES

2.1 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 who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and provide for direct access to the Chairman/ CEO/ Chairman of the Audit Committee in exceptional cases.

2.2 This neither releases employees from their duty of confidentiality in the course of their work nor from raising malicious or unfounded allegations against people in authority and / or colleagues in general.



3. SCOPE OF THE POLICY



3.1 The Policy covers without limitations the followings:-

- a) Breach of contract or Breach of employee Code of Conduct or Rules;
- b) Misuse or abuse of authority or violation of company rules ;
- c) Criminal offence;
- d) Malpractices or Manipulation of company data/records;
- e) Financial irregularities, including fraud, or suspected fraud;
- f) Pilferation of confidential/propriety information;
- g) Wastage/misappropriation of company funds/assets;
- h) Deliberate violation of law/regulation;
- i) Negligence causing danger to public health and safety;
- j) Any other unethical, biased, favoured, imprudent event on account of which the interest of the Company is affected.

3.2 The Policy does not cover the followings:-

- a) Frivolous and bogus complaints;
- b) Business and financial decisions taken by the Company that do not involve wrongdoing or illegality;
- c) Any matter already addressed pursuant to disciplinary or other procedures of the Company;
- d) Career or employment related;
- e) Other personal grievances;

3.3 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 Vigilance and Ethics Officer or the Chairman of the Audit Committee or the Investigators.

4. DEFINITION

The definitions of some key terms used in this policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code.

- a) **Audit Committee** means a Committee constituted by the Board of Directors of the Company in accordance with Section 177 of Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.
- b) **"Alleged wrongful conduct"** shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".
- c) **Board** means the Board of Directors of the Company.
- d) **Company** means the Artefact Projects Limited and all its offices.
- e) **Code** means Code of Conduct for Directors and Senior Management Executives adopted by Artefact Project Limited.
- f) **Disciplinary Action** 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.
- g) **Employee** means all the present employees and Directors of the Company (Whether working in India or abroad).
- h) **Investigators** means those persons authorised, appointed, consulted or approached by the Vigilance and Ethics Officer / Chairman of the Audit Committee and includes the auditors of the Company and the police.





- i) **Protected Disclosure** means any communication made in good faith by an employee or group of employees of the Company that discloses or demonstrates information that may evidence unethical or improper activity "as mentioned in 3.1 above" with respect to the Company.
- j) **"Vigilance and Ethics Officer"** means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.
- k) **Subject** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- l) **Whistle Blower** is an employee or group of employees who make a Protected Disclosure under this Policy.

5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company. However, Anonymous disclosure shall not be entertained.

6. DISQUALIFICATIONS

- a) 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.
- b) 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.
- c) Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blowers who make 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.

7. PROCEDURE AND DISPOSAL OF PROTECTED DISCLOSURES

- 7.1 All Protected Disclosures should be reported in writing (through a letter or e-mail) within 30 days from the date Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.
- 7.2 The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". The Vigilance and Ethics Officer or Chairman of the Audit Committee will not issue any acknowledgement to the complainants and in case any further clarification is required, he will get in touch with the complainants.
- 7.3 All Protected Disclosures (other than mentioned in 7.2 below) should be addressed to the **Vigilance and Ethics Officer** for investigation.
- 7.4 In respect of Protected Disclosures against the **Vigilance and Ethics Officer** and employees at the levels of **Vice Presidents and above** should be addressed to the **Chairman of the Audit Committee** of the Company.





7.5 The contact details of the **Vigilance and Ethics Officer** and **Chairman of the Audit Committee** are as under :-

Vigilance and Ethics Officer

Name : Sanjay Khare
Address: "Artefact Towers", 54/3,
Chhatrapati Square, Wardha Road,
Nagpur-440015
E-mail id: 2459khare@gmail.com

Chairman of the Audit Committee

Name : Sandeep Batta
Address: "Artefact Towers", 54/3,
Chhatrapati Square, Wardha Road,
Nagpur-440015
E-mail id: Sandeep_batta@yahoo.com

7.6 On receipt of the protected disclosure the Vigilance and Ethics Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation himself and, if deems fit, he can refer the matter to the Investigators for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether the same Protected Disclosure was raised previously on the same subject;
- d) Details of Action taken by Vigilance and Ethics Officer / Chairman of the Audit Committee for processing the complaint;
- e) Findings of the investigators;
- f) The recommendations of the Investigators / other action(s).

7.7 The Investigators, if deems fit, may call for further information or particulars from the complainant.

7.8 All protected disclosures under this policy will be recorded and thoroughly investigated.

8. DECISION AND REPORTING

8.1 Vigilance and Ethics Officer / Chairman of the Audit Committee along with its recommendations will report its findings to the Chairman/ Managing Director of the company within 45 days of receipt of report for further action as deemed fit. In case prima facie case exists against the subject, then the Chairman/ Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate *Disciplinary Action* in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Audit Committee, the complainant and the subject.

8.2 A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

9. SECRECY / CONFIDENTIALITY

The complainant, Vigilance and Ethics Officer, Members of Audit Committee and everybody involved in the process shall:

- a) Maintain confidentiality of all matters under this Policy.
- b) Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- c) Not keep the papers unattended anywhere at any time.
- d) Keep the electronic mails / files under password.





10. PROTECTION:

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 any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE:

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

12. COMMUNICATION:

A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed through by publishing in notice board and the website of the company.

13. RETENTION OF DOCUMENTS:

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

14. ADMINISTRATION AND REVIEW OF THE POLICY:

The Chief Executive Officer shall be responsible for the administration, interpretation, application and review of this policy. The Chief Executive Officer also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

15. AMENDMENT

The Managing Director / Chairman of the Company have the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

15.1 This Vigil Mechanism / Whistle Blower Policy originally adopted on 13.08.2014 is amended in order to incorporate the change in the name of Vigilance and Ethics Officer of the Company w.e.f. 09.02.2016.

Siddharth P. Shah
Director

Sandeep M. Batta
Chairman of Audit Committee

