Stock Holding Corporation of India Limited

Whistle Blower Policy
Version 2.0

Document Revision History:

Version No.	Date of Change	Details	Prepared By	Reviewed By	Approved By
2.0	27/08/2026	Review of Whistle Blower Policy	Secretarial and Vigilance Department	Internal Executive Audit Committee and Audit Committee	Board
1.4	19/06/2020	Review of Whistle Blower Policy	Vigilance Department	Audit Committee	Board

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StockHolding®

Whistle Blower Policy

1. *Background*

Stock Holding Corporation of India Limited (StockHolding) believes in conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, StockHolding has adopted a Code of Conduct which is applicable to its directors and employees. Any violation of the Code, however insignificant or perceived as such would be a matter of serious concern for StockHolding. The role of employees in pointing out violations of the Code cannot be undermined.

The Companies Act, 2013 (Section 177) and the Companies (Meetings of Board and its Powers) Rules, 2014 provides for establishment of a Vigil Mechanism/Whistle Blower Policy for its directors and employees to report genuine concerns in such manner as may be prescribed in the following class of companies:

a. Listed company
b. Companies which accept deposit from the public
c. Companies which have borrowed money from banks or public financial institutions in excess of Rs.50 crore.

The Act also provides that the vigil mechanism shall be disclosed by the Company on its website and in the Board Report. As on date, StockHolding is not a listed entity nor has it accepted deposits from public or borrowed money from banks and public financial institutions in excess of Rs.50 crore. Nevertheless, StockHolding has always endeavored to comply with Corporate Governance norms. Whistle Blower policy / Vigil Mechanism is a step in that direction.

Accordingly, this Whistle Blower Policy has been formulated with a view to provide a mechanism for Directors and Employees of StockHolding to approach the Nodal Officer / Competent Authority of StockHolding with Protected Disclosure as defined in this policy.

2. *Preamble / Preface*

StockHolding has devised a Whistle Blower Policy for its Directors and Employees to report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of its code of conduct. The mechanism shall provide for adequate safeguards against victimization of Director(s)/Employee(s) who avail of the mechanism and also provide for direct access, in exceptional cases wherein the Subject of Protected Disclosure is the MD & CEO, to the Chairperson of the Audit Committee at email id **acb.chairperson@stockholding.com**. This policy is an internal document of StockHolding and has been framed for the purpose defined above.

3. *Definitions*

The definitions of some of the key terms used in this policy are given below:

a) “Audit Committee” means the Audit Committee of the Board constituted by the Board of Directors of StockHolding.

b) “Director” means any individual appointed or elected or nominated or co-opted as a member of the Board of Directors of StockHolding.

c) "Competent Authority" means the MD & CEO of StockHolding. Provided that, in the event the MD & CEO has a conflict of interest in respect of a particular matter, the Competent Authority for such matter shall be the Chairperson of the Audit Committee of the Board.

d) "Nodal Officer" means the Company Secretary of StockHolding.

e) "Whistle Blower" means a Director or an Employee making a Protected Disclosure under this policy.

f) "Protected Disclosure" means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity concerning StockHolding. 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 a proper assessment on the nature and extent of the concern and the urgency of investigation.

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

h) "Investigator" means the person/committee authorized or appointed by the Competent Authority to investigate a Protected Disclosure.

Terms that have not been defined here specifically shall have the same meaning assigned to them elsewhere in this Policy.

4. *Objective*

The policy aims at quickly spotting aberrations and dealing with them at the earliest to prevent any pecuniary or esteem loss to StockHolding. Under the policy the directors and employees making "Protected Disclosure" in good faith shall be assured of confidentiality and protection as Whistle Blower against any retaliatory action intended to humiliate, harass them in any form.

5. *Applicability*

The Whistle Blower Policy shall apply exclusively to the directors and all employees of StockHolding.

6. *Eligibility*

The directors and employees of the StockHolding shall be eligible to make "Protected Disclosures" under the Policy. Such Protected Disclosure may be in relation to matters concerning StockHolding which may relate to concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct, willful attempt to exceed delegated authority by virtue of which either demonstrable loss may be caused to StockHolding or demonstrable wrongful gain may accrue to the person against whom Protected Disclosure is being made.

7. *Scope and Coverage*

The policy is designed in such a way that it shall help / protect the person making protected disclosure to the management of StockHolding or in exceptional cases to the Chairperson of the Audit Committee of the Board against any instance of wrongdoing and malpractices within StockHolding. However, the disclosures should be made in a reasonable time frame. The few instances when the protected disclosure may be made are:

a) Criminal offence (e.g., fraud, corruption or theft) committed / likely to be committed

b) Failure to comply with legal / regulatory obligations / operational guidelines

c) Violation of Code of Conduct framed by StockHolding

d) Destruction of official records / information / evidences with mala fide intention.

e) Breach of StockHolding's Services Manual

f) Embezzlement causing pecuniary loss to StockHolding

g) Submission of fake bills

h) Discrimination against a member of staff on the grounds of sex, caste, religion or disability

i) An act which leads to unethical business practices

8. *Protection to Whistle Blower*

Under Whistle Blower Policy, StockHolding shall ensure that any director or employee who has made a Protected Disclosure under the Policy, or who renders assistance during an inquiry or investigation under the policy, shall not be victimized by initiation of any proceedings or otherwise, merely on raising alarm over any wrongdoing in StockHolding.

Whistle Blowers shall be safeguarded against risks including, but not limited to, termination of employment, transfer, demotion, refusal of promotion, disciplinary proceedings, retaliation, alienation from peers, any type of obstruction in performance of his/her duties. The rights of Whistle Blower derived from their position being held within StockHolding, shall be duly protected. Any employee assisting in the inquiry / investigation shall also be protected to the same extent as the Whistle Blower.

However, such protection shall be available to him/her subject to the following:

i. That the disclosure has been made in good faith and is genuine.

ii. That the person making disclosure has made a personal declaration that he/she reasonably believes the information to be substantially true.

iii. That the disclosure is not motivated or vexatious.

iv. That the disclosure is not made for personal gains.

v. That the disclosure has been made in the role of a Whistle Blower and not just as a complainant.

This assurance shall not be extended to employees who have made a disclosure mala fide and knowingly that it was incorrect or false or misleading. In such cases, the individual shall be liable to Disciplinary Action(s) as decided by the Competent Authority.

If the employee raising alarm as a Whistle Blower is aggrieved by any action on the ground victimization due to the fact that filing a disclosure, he/she may file an application before the MD & CEO or to the Chairperson of Audit Committee, as applicable, for seeking redressal in the matter, who shall take such action as deemed appropriate.

9. *Procedure for Disclosure*

StockHolding shall have the responsibility of keeping the identity of any director or any employee making disclosure as secret. Accordingly, the person making any protected disclosure shall comply with the following conditions:

(i) The Protected Disclosure shall be submitted to email id: **whistle.blower@stockholding.com** or in a sealed and secured envelope.

(ii) The envelope should be addressed to "The Nodal Officer-Whistle Blower Policy", Stock Holding Corporation of India Limited, 301, Centre Point, Dr. B. Ambedkar Road, Parel, Mumbai 400012, and should be superscribed as "Protected Disclosure under Whistle Blower Policy of StockHolding".

(iii) If the envelope is not super scribed and sealed, it may not be possible to protect the identity of employee making disclosure under this Policy. The Whistle Blower should give his/her name and address either in the beginning or end of Protected Disclosure or in an attached letter. However, the Whistle Blower should not write his/her name and address on the envelope itself.

(iv) Anonymous/pseudonymous complaints shall not be entertained.

(v) If the Whistle Blower believes that there is a conflict of interest with the Nodal Officer, the Protected Disclosure may be submitted to the MD & CEO either at **mdceo@stockholding.com** or in a sealed and secured envelope. In such a case, the envelope should be addressed to:

The MD & CEO,
Stock Holding Corporation of India Limited,
301, Centre Point, Dr. B. Ambedkar Road,
Parel, Mumbai 400012.

The envelope should be superscribed as **"Protected Disclosure under Whistle Blower Policy of StockHolding"**.

In case of conflict of interest with the MD & CEO, the Protected Disclosure shall be forwarded to the Chairperson of the Audit Committee of StockHolding**.**

(vi) With a view to protect the Whistle Blower's identity, the Nodal Officer in StockHolding shall not issue any acknowledgement and the Whistle-Blowers are advised not to enter into any further correspondence with the Nodal Officer in their own interest. In case, StockHolding requires the assistance of Whistle Blower during inquiry or investigation into the Protected Disclosure, he/she shall be required to cooperate in that matter.

10. *Procedure for Inquiry/Investigation*

(i) All Protected Disclosures shall be recorded on the day of receipt and acted upon promptly by the Nodal Officer. The Nodal officer shall review each Protected Disclosure and provide appropriate recommendations to the Competent Authority.

(ii) Where a Protected Disclosure has no basis or substance at all, it shall be dismissed at this stage by the Competent Authority and decision shall be duly documented. Where the Competent Authority is prima facie satisfied that the Protected Disclosure warrants investigation, the Protected Disclosure after concealing the identity of the Whistle Blower shall be referred to the Investigator for investigation.

(iii) Once the decision to inquire/investigation is taken, the Investigator will ensure that the Protected Disclosure are inquired/investigated and action taken to its logical conclusion within a reasonable time which would be completed within forty five (45) days from the date of receipt of the matter, or within such other period as may be directed. The Competent Authority may, at its discretion, allow additional time for submission of the report based on the circumstances of the case.

(iv) Any further correspondence in respect to the Protected Disclosure shall be addressed using the Unique Reference Number (URN) assigned against it.

(v) Accused shall be given the right of being heard at the appropriate stage.

(vi) Any Protected Disclosure relating to fraud or matter having vigilance implications shall be referred to the Chief Vigilance Officer (CVO) for further action.

11. *<u>Duties and Obligations of Investigators:</u>*

Investigators shall be appointed by the Competent Authority. Investigators are required to maintain strict confidentiality with respect to

- the identity of Whistle Blower,
- the investigation process and
- the investigation findings.

The investigator shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the Competent Authority.

12. *<u>Investigation Report:</u>*

The Investigation Report shall set out the material facts of the case together with recommendations regarding the appropriate course of action. The report should be addressed to the Competent Authority.

The report shall include, but not limited to, monetary aspects, level and nature of risks identified, regulatory violations or breach of trust etc.

Based on these findings, the report shall recommend:
(a) Initiation of proceedings in suitable cases, where warranted
(b) Corrective measures to prevent recurrence of similar events in the future
(c) Any other action deemed appropriate.

The recommendations made in the Investigation Report will be considered by the Competent Authority, to take further action under intimation to the Audit Committee.

13. *<u>Decision</u>*

If the inquiry / investigation Investigator concludes that an improper or an unethical act has been committed, the Competent Authority shall take such disciplinary or corrective action against the Subject as may deem fit.

It is clarified that any disciplinary or corrective action initiated as a result of the findings of the inquiry / investigation pursuant to this policy shall adhere to the applicable StockHolding Service Manual / Code of Conduct.

14. *Reporting*

The Nodal Officer shall, on a quarterly basis, submit to the Audit Committee of the Board a status report detailing Protected Disclosures received, pending, and closed, along with the results of any investigations conducted, disciplinary action taken, recoveries, victimisation, and any Protected Disclosure closed without investigation with reasons.

15. *Maintenance of record*

(i) The Nodal Officer will personally open all the emails/envelops pertaining to the matters under the policy.

(ii) He shall ensure that a register is duly maintained for recording Protected Disclosures marking a unique reference number, date of its receipt along with brief particulars of the Protected Disclosure received under this policy.

(iii) The Nodal Officer will bring the Protected Disclosure to the notice of MD & CEO or the Chairperson of Audit Committee, as the case may be, immediately on its receipt.

(iv) All Protected Disclosures, whether in writing or in the form of documents, along with the results of investigation relating thereto, shall be retained by the Nodal Officer for a minimum period of eight (8) years.

16. *Responsibility for implementation*

The Audit Committee of the Board of StockHolding shall be responsible for overseeing the Whistle Blower / Vigil Mechanism within StockHolding.

17. *Limitation*

In the event of any conflict between the provisions of this Policy and the provisions laid down by any regulatory authorities or any other legal requirement dealing with Whistle Blower Policy ("Applicable Law"), and /or for the matters not provided for in this Policy, the provisions of the Applicable Law shall prevail accordingly.

18. *Amendment in Law*

In the event of any change in regulatory or statutory guidelines or provisions governing this Policy, the said regulation or statutory guidelines shall prevail and take precedence over the provisions of this Policy.

19. *Publicity on Website*

This Whistle Blower Policy shall be placed on Company's website and circulated through the intranet to ensure awareness among employees of StockHolding.

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