

STANROSE MAFATLAL
INVESTMENTS AND FINANCE LIMITED

VIGIL MECHANISM/WHISTLE BLOWER POLICY

1. INTRODUCTION:

- a. Stanrose Mafatlal Investments and Finance Limited (“the Company”) strives to conduct its affairs in a fair and transparent manner by adopting high standards of professionalism, transparency, integrity and ethical behavior. The Company has adopted the Code of Conduct for Board of Directors and Senior Management (“Company’s Code”) which lays down the principles and standards that should govern the actions of the Company and its employees.

Section 177(9) of the Companies Act, 2013 (the Act), Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014 and Regulation 22 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments thereto (SEBI LODR), requires a listed company to establish a vigil mechanism for its Directors and Employees, to report genuine concerns or grievances.

- b. Further, in terms of Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, including any amendments thereto, (SEBI PITR), the Company is required to formulate a whistle blower policy to enable employees and directors to report instances of leak of Unpublished Price Sensitive Information (“UPSI”). The Company has adopted a code of fair disclosure and conduct (“Insider Trading Code”) as required under Insider Trading

Regulations, which lays down the practices and procedures that should govern the fair disclosure of UPSI by the Company and regulate and monitor the conduct of designated persons while dealing in the securities of the Company. Any actual or potential violation of the Insider Trading Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company.

- c. Accordingly, this Vigil Mechanism / Whistle Blower Policy (“the Policy”) has been formulated with a view to provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.
- d. The Vigil Mechanism does not release the director and/or the employees from their duty of confidentiality and Company’s Code in the course of their employment.
- e. The Vigil Mechanism should not be used as a platform for addressing personal grievances.

2. DEFINITIONS:

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

- a. “**Act**” means the Companies Act, 2013 and Rules prescribed thereunder, including any statutory amendment or modification thereof.
- b. “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act read with regulation 18 of the SEBI LODR

- c. “**Code**” means the Company’s Code of Conduct.
- d. “**Company**” - Company means **Stanrose Mafatlal Investments & Finance Limited**
- e. “**Director**” means any Director on the Board of Directors of the Company.
- f. “**Employee**” means every employee of the Company.
- g. “**Executive Director**” means a whole-time director as defined in section 2(94) of the Act.
- h. “**Investigator/s**” means a person/s authorised, appointed, consulted or approached by the Chairman of the Audit Committee in the process of the investigation of any Reported Disclosure who may / may not be the employee of the Company, members of the Audit Committee and includes the auditors of the Company.
- i. “**Reported Disclosure**” means any communication made in good faith that demonstrate information that may evidence any instance of unethical or improper behavior / practice (not necessarily a violation of Law), actual or suspected fraud or violation of the Company’s Code of Conduct or this policy and shall include notification to the Company of any unethical; business conduct or illegal acts, leakage or suspected leakage of the Unpublished Price Sensitive Information (UPSI) as defined hereinafter in this policy.

The unethical practice shall also include the following

- 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.
- Misuse of Company Assets, Authority, Funds etc.

- Willful suppression of facts or mis-statement in any Company's records.
 - Miscarriage of justice or any willful discrimination by the Management.
 - Actions taken or proposed to be taken by the Management or acts of omissions by Management which will endanger safety of any employee/person.
 - Misuse of authority which may adversely affect the interest of the Company.
 - Leak or suspected leak of the Unpublished Price Sensitive Information as defined in the SEBI (Prevention of Insider Trading) Regulations, 2015 ("UPSI").
 - Any other form of improper action or conduct concerning the Company.
- j. **"Subject/s"** means a person against or in relation to whom a Reported Disclosure has been made or evidence gathered during the course of an investigation.
- k. **"Unpublished Price Sensitive Information"** means any information, relating to the company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following-
- i. financial results;
 - ii. dividends;
 - iii. change in capital structure;
 - iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions.
 - v. changes in key managerial personnel;

1. “**Whistle Blower**” is a Director or an Employee making a Reported Disclosure under this Policy.

3. **AIM AND SCOPE:**

This Vigil Mechanism aims to provide a platform for the Whistle Blower to raise concerns on serious matters regarding ethical values, probity and integrity or any violation of the Company’s Code, including the operations of the Company.

This policy also covers the malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, instances of leakage of UPSI or suspected leakage of UPSI, misappropriation of monies, and other unethical, biased, favoured, imprudent act or behavior or matters or activity on account of which the interest of the Company is affected and formally reported by Whistle Blowers concerning its Employees.

4. **POLICY**

The Company is committed to openness, transparency and accountability in all its affairs to achieve highest standards of Governance. The Policy reinforces the Company’s approach by providing a forum to the Directors, Employees and other persons dealing with the Company to voice their concerns about suspected or actual unethical or improper practice.

The Policy shall come into effect from April 1, 2019

5. **ELIGIBILITY:**

All employees of the Company are eligible to make Reported Disclosures under the Policy. The Reported Disclosures maybe in relation to matters concerning the Company.

6. PROCEDURE:

- a. All Reported Disclosures should be addressed to the Audit Committee preferably to the Chairman of the Audit Committee. The contact details are: Chairman (Audit Committee) - STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED, Vijyalaxmi Mafatlal Centre, 57-A, Dr. G. Deshmukh Marg, Mumbai – 400 026.
- b. If a Reported Disclosure is received by any executive of the Company other than the Chairman of the Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action.
- c. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- d. Reported Disclosures should preferably be reported in writing to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or in the regional language of such place where the Whistle Blower is employed.
- e. The Reported Disclosure should be forwarded under a covering letter which shall preferably bear the name of the employee and department (in case of internal Whistle Blower) and name of the Complainant, his/her company name and address (for external Whistle Blower).
- f. The Chairman of the Audit Committee can initiate an investigation independently at his own discretion.
- g. The Chairman of the Audit Committee shall without disclosing the identity of the Whistle Blower, discuss the Reported Disclosure with Members of the Audit Committee and if deemed fit, forward the Reported Disclosure to the Investigator, for due investigation.

- h. Reported 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.

7. **INVESTIGATION:**

- a. All Reported Disclosures reported under this Policy will be thoroughly investigated by the Investigator.
- b. Reported Disclosures involving or relating to the Investigator which in the opinion of the Audit Committee may hamper the independence of the Investigator in conducting the investigation, if necessary, can be investigated by the Audit Committee.
- c. The decision to conduct an investigation taken by the Chairman of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The identity of a Subject/s will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subject/s will normally be informed of the allegations at the outset of a formal investigation and shall have opportunities for providing their inputs during the investigation.
- f. Subject/s shall have a duty to diligently co-operate with the Investigator and Audit Committee during investigation in order to conclude the investigation in a proper and meaningful manner. However, co-operation does not mean merely accepting the guilt.

- g. Subject/s has a right to consult with person(s) of their choice, other than the Investigator and/or members of the Audit Committee and/or the Whistle Blower. Subject/s shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subject/s has 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 Subject/s.
- i. Unless there are compelling reasons not to do so, Subject/s will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject/s shall be considered as maintainable unless there is sufficient and proper evidence in support of the allegation.
- j. Subject/s have a right to be informed of the outcome of the investigation. If the allegations are not sustained, the Subject/s should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject/s and the Company.

The investigation shall be completed and the report shall be submitted to the Chairman of the Audit Committee within 45 days of the receipt of the Reported Disclosure, unless otherwise decided by the Audit Committee.

8. REPORTING:

A quarterly report with number of complaints received under the Vigil Mechanism and their outcome shall be placed before the Audit Committee and the Board of Directors of the Company.

9. **DECISION:**

If an investigation, including a preliminary report if any, leads the Chairman of Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of Audit Committee shall direct the management of the Company to take such disciplinary or corrective action against the delinquent as it may deem fit.

10. **PROTECTION / DISQUALIFICATION:**

- a. It will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment from the management of the Company. The identity of the Whistle Blower will be kept confidential to the extent possible. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Investigator / Audit Committee (e.g. during investigations carried out by the Investigator / Audit Committee). Any other Employee assisting in the said investigation will also be Reported to the same extent as the Whistle Blower.
- b. However, 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. The Whistle Blowers making such mala fide / frivolous / baseless / malicious Reported Disclosures for more than one occasion will be disqualified from reporting further Reported Disclosures under this Policy. The Company in such case(s) shall have the right to take appropriate disciplinary action against the Whistle Blower, on the recommendations of the Audit Committee, as may deem fit.
- c. Whistle Blowers who make three or more Reported Disclosures, which have been subsequently found to be malafide, frivolous, malicious, or reported otherwise than in good faith, will be disqualified from making further Reported Disclosures under this Policy.

11. RETENTION OF DOCUMENTS:

All Reported Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of eight years.

12. ANNUAL AFFIRMATION

The Company shall annually affirm that it has not denied any director or employee access to the Audit Committee and that it has provided protection to the Whistle Blower from adverse action.

The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

13. AMENDMENT:

The Company reserves its right to amend or modify this Policy in whole or in part, from time to time, with the approval of the Board of Directors of the Company.

Sd/-
(PRADEEP R. MAFATLAL)
CHAIRMAN