



STOVEC INDUSTRIES LIMITED

WHISTLE BLOWER POLICY

(also known as Vigil Mechanism)

1. INTRODUCTION

Stovec Industries Limited believes in the conduct of the affairs of its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The organization has a detailed "Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel" that directs its Directors and Senior Management Employees to uphold the Company values and urges them to conduct business within the accepted norms of propriety and responsibility.

The Company intends to prevent the occurrence of any infringing action as provided in Clause 5 of this policy, thus establishing a vigil mechanism enabling Directors and Employees to report their genuine concerns or grievances through this Whistle Blower Policy. This policy will also enable the other Stakeholders to freely communicate their concerns about illegal or unethical practices.

This Whistle Blower Policy has been formulated in accordance with Section 177 of the Companies Act, 2013 and Rules framed thereunder, and Clause 49 of the Listing Agreement with the Stock Exchanges.

Through this policy, the Directors and Employees are not only encouraged but required to report any infringing action and/or their genuine concerns and grievances including those related to unethical behavior, actual or suspected fraud or violation of the Code.

This Whistle Blower Policy and Code are available on the Company's website www.stovec.com.

2. DEFINITIONS

"Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company under the Companies Act, 1956 / Companies Act, 2013 (including the Rules framed thereunder) and the Listing Agreement with the Stock Exchanges.

"Code" means the Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel of the Company.

"Company" means Stovec Industries Limited.

"Director" means a member of the Board of Directors of the Company.

"Employee" means every employee on permanent or temporary rolls of the Company (including contract workers), whether working in India or abroad, including the Directors in the employment of the Company.

"Stakeholders" means:

- a). Employees of the Company;
- b). Employees of other agencies deployed for the Company's activities, whether working from any of the Company's offices or any other location;
- c). Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Company;
- d). Investors and shareholders of the Company;
- e). Customers and business partners of the Company.

"Protected Disclosure" means any communication made in good faith by a Director or Employee that discloses or demonstrates information that may indicate evidence towards genuine concern(s) or grievance(s) including those related to unethical behaviour, actual or suspected fraud or violation of the Code and any communication made by any other Stakeholder about illegal or unethical practices.

"Protected Disclosure Form" is a form by which a Whistle Blower shall make submission to the Company under this Policy and is available at the Company's website.

"Disciplinary Action" means any action that can be taken on the completion of or during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any other action as is deemed to be fit, considering the gravity of the matter.

"Infringing Actions" shall have the meaning ascribed to such term under Clause 5 hereof.

"Investigator" means one or more persons authorized or appointed by Ombudsperson or Chairman of Audit Committee, to assist in the investigation of the Protected Disclosure and submit his/her/ their findings to Ombudsperson or Chairman of Audit Committee, as the case may be.

"Ombudsperson" means such person as may be designated by the Audit Committee for the purpose of processing and investigating (to the extent indicated in this policy) into the Protected Disclosures.

"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 under this Policy.

"Policy" means this Whistle Blower Policy.

"Whistle Blower" means a Director, Employee, or any other Stakeholder making a Protected Disclosure under this Policy.

3. SCOPE

- a). The Policy will help the Stakeholders particularly Directors and Employees to make a Protected Disclosure concerning infringing actions as mentioned in Clause 5 of this policy.
- b). Protected Disclosure will be appropriately dealt with by the Ombudsperson or the Chairman of the Audit Committee, as the case may be.
- c). The Company will provide necessary safeguards to all Whistle Blowers for making Protected Disclosures in good faith, in all the areas mentioned in this Policy.
- d). The Whistle Blower's role is to make Protected Disclosure. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case. Whistle Blower does not have to obtain evidence in order to support their information. Their role is to 'raise the concern'.
- e). Whistle Blower should not act on his/her own in conducting any investigative activities, nor does he/she have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee, Ombudsperson or the Investigator.

4. ELIGIBILITY

The Directors, Employees and other Stakeholders are eligible to make Protected Disclosures under the Policy.

5. INDICATIONS TO RAISE A CONCERN

A matter can be considered serious enough for a concern to be raised if it involves any one or more of the following ("**Infringing Actions**"):

- a). Abuse of authority;
- b). Breach of contract;
- c). Manipulation of company data/records;
- d). Financial irregularities, including fraud or suspected fraud;
- e). Criminal offence;
- f). Unauthorised disclosure or misuse of confidential/proprietary information;
- g). Deliberate violation of law/regulation;
- h). Wastage/misappropriation of company funds/assets;
- i). Negligence causing substantial and specific danger to public health and safety;
- j). Failure to implement or comply with any approved Company policy;
- k). Unethical behaviour or illegal or unethical practices;

- l). Any other violation/possible violation of the Code.

6. EXCEPTIONS:

Any matter related to interpersonal issues, service conditions, organizational policies, terms and conditions of employment, etc. should be reported through the existing organizational channels addressing such concerns.

7. DISQUALIFICATIONS:

The following matters shall be disqualified and may warrant such action as considered appropriate considering the gravity of the matter:

- a). Bringing to light personal matters regarding another person, which are in no way connected to the Organization.
- b). Reporting information which, he/ she does not have an authorization to access.
- c). False or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *malafide* intention or any allegation made with a view to abuse the protection given under this policy.
- d). Whistle Blower who makes three 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 Disclosure under this Policy.

8. GUIDELINES

8.1 The Company

To ensure that this Policy is adhered to and to assure that the concern will be acted upon seriously, the Company will:

- a) not attempt to conceal evidence of the Protected Disclosure;
- b) take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosure; and
- c) provide an opportunity of being heard to the persons involved, especially to the Subject.

8.2 Whistle Blower

- a). The Whistle Blower must provide all factual corroborating evidence, as is available and to the extent possible, to enable commencement of an investigation at the earliest, preferably within 30 days of the irregularity or breach noticed by him/her. This is to be provided in a standard format namely, the Protected Disclosure Form. The information provided should be on the basis of a direct first-hand experience of the Whistle Blower. It should not be based on any secondary, unreliable source such as grapevine or any other form of informal communication.
- b). Whistle Blower(s) shall not act on their own in conducting any investigation.

8.3 Identity

The Protected Disclosure should be forwarded under a covering letter, which shall bear the identity of the Whistle Blower. The Ombudsperson or Chairman of the Audit Committee, as the case may be, shall detach the covering letter and forward only the Protected Disclosure to the Investigator(s).

Any concerns or grievances expressed anonymously WILL NOT BE investigated.

8.4 Confidentiality

- a). All concerns and issues raised under this Policy shall be treated in a confidential manner except to the extent necessary to conduct a complete, fair and effective investigation.
- b). Similarly, the identities of the Whistle Blower, Subject and the documents related to Protected Disclosure and investigation thereof shall be treated with confidentiality at all times and shall only be disclosed to the investigating team for facilitation of proper investigation, if required.
- c). The Audit Committee shall have the final discretion on the necessity, scope and medium of public disclosure of investigation results (including the identity of Whistle Blower and/or Subject).

8.5 Protection to Whistle Blower

- a). No unfair treatment shall be exhibited towards the Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy and the Company shall ensure that full protection has been granted to him/her, against:

Stovec's Whistle Blower Policy

- i) Unfair employment practices like retaliation, threat or intimidation of termination, suspension of services or contracts, etc.
 - ii) Direct or indirect abuse of authority to obstruct the Whistle Blower's right to continue performance of his/her duties/functions during routine daily operations, including making further Protected Disclosures under this Policy.
- b). The Whistle Blower may also report any violation of the above clause to the Chairman of Audit Committee, who may direct an investigation into the same and decide suitable disciplinary action against the concerned party.

8.6 Subject

- a). All Subjects shall be duly informed about the Protected Disclosures made against them normally at the commencement of the formal investigation process and shall have regular opportunities for providing explanation during the course of the investigation process.
- b). No Subject shall directly/indirectly interfere with the investigation process, till the completion of the investigation.
- c). The Subject shall not destroy or tamper with any evidence, and shall have a duty to co-operate with the Ombudsperson, Chairman of Audit Committee and Investigator involved in the inquiry till the investigation process is completed.
- d). During the course of the investigation, all Subjects shall have a right to consult any person of their choice at their own cost, other than the Ombudsperson, Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- e). All Subjects shall have a right to be informed about the results of the investigation process in writing after the completion of the inquiry. They will be given an opportunity to respond to the inquiry results, as contained in the investigation report.

8.7 Responsibilities of Ombudsperson and Audit Committee

- a). The Ombudsperson is duly authorized to receive/oversee any Protected Disclosures reported under this Policy. He is responsible for ensuring appropriate action.
- b). The Ombudsperson can also appoint an external agency to represent his Office to receive any Protected Disclosures under the Policy.

- c). The Chairman of the Audit Committee may consider involving any Investigator for the purpose of conducting the investigation. However, the investigation shall be launched only after the review of Protected Disclosure by the Ombudsperson or the Chairman of the Audit Committee, as the case may be, which establishes that:
- (i) The Protected Disclosure constitutes a genuine concern(s) or grievance(s) including those related to unethical behaviour, actual or suspected fraud or violation of the Code or illegal or unethical practices.
 - (ii) The Protected Disclosure is supported by adequate information to support an investigation.

8.8 Investigators

- a) The Investigator shall conduct the inquiry in a fair and unbiased manner.
- b) The Investigator shall ensure complete fact-finding.
- c) The Investigator shall maintain strict confidentiality at all times.
- d) The Investigator shall derive the outcome of the inquiry and recommend appropriate course of action.

9. PROCEDURE

9.1. How to Report

9.1.1 Protected Disclosures concerning:

- i) the employees at the levels of Vice Presidents/Head of Departments and above should be addressed to the Chairman of the Audit Committee of the Company; and
- ii) other employees should be addressed to the Ombudsperson.

The concerns shall be addressed to the Ombudsperson or Chairman of Audit Committee as mentioned above in the Protected Disclosure Format, at the below mentioned address:

- a) Ombudsperson- Whistle Blower Policy
Stovec Industries Ltd.,
N.I.D.C., Nr. Lambha Village,
Post: Narol, Ahmedabad - 382 405,
Gujarat, India.

b) Chairman of Audit Committee of the Company
(Whistle Blower Policy)
Mr. K.M. Thanawalla
Khatau Bungalow,
6 Manav Mandir Road,
Mumbai - 400 006

9.1.2 Whistle Blower can be provided direct access to the Chairman of the Audit Committee in exceptional cases.

9.1.3 Whistle Blower must provide the background, history and reason for the complaint or concern, together with names, dates, places and as much information possible. For the purpose of proper & fair investigation, all necessary details shall be captured by the Whistle Blower in a standard format namely, the Protected Disclosure Form (Available on our portal www.stovec.com).

9.1.4 If a protected disclosure is received by any executives of the Company other than Chairman of Audit Committee or the Ombudsperson, the same shall be forwarded to the Company's Ombudsperson or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

9.1.5 Whistle Blowers are encouraged to make Protected Disclosure at the earliest possible preferably within 30 calendar days of the irregularity or breach noticed by him/her, so that timely action can be taken.

9.2. Investigation

a). All complaints received under this Policy will be reviewed by Ombudsperson or Chairman of the Audit Committee, as the case may be. If initial enquiry by the Ombudsperson or Chairman of the Audit Committee, indicates that concern or grievance has no basis or it is not a matter to be investigated under this policy, it may be dismissed at this stage and the decision should be documented. All such cases should be reported to the Audit Committee in its next meeting.

b). Where initial enquiry indicates that further investigation is necessary, the Ombudsperson shall forward such complaints to the Chairman of the Audit Committee for referring it to further investigation. In case a complaint is received directly by the Chairman of the Audit Committee under clause 9.1.1(i) hereof or through Ombudsperson, the Chairman may refer it for further investigation.

c). The Chairman of the Audit Committee may appoint Investigator for investigating the complaints received under this policy and such Investigator shall submit his / her/ their report to the Chairman of the Audit Committee.

- d). The type of investigation will depend upon the nature of the Protected Disclosure and the nature of gravity of the matter. The matters raised may be:
 - i) Investigated internally
 - ii) Referred to an external investigator
- e). The investigation is to be treated as a neutral fact-finding process.
- f). The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an Infringing Action was committed.
- g). The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure and any delay beyond 45 day will be justified in the investigation report.

9.3. Documentation & Reporting

The Ombudsperson or the Chairman of the Audit Committee, as the case may be, will make a detailed written record of the Protected Disclosure. The record will include:

- a) Facts of the matter
- b) Whether the same Protected Disclosure has been raised previously, and if so, the outcome thereof.
- c) Whether the same Protected Disclosure has been raised previously against the same Subject.
- d) The financial/other loss incurred / would have been incurred by the Company.
- e) Findings of the investigation.
- f) Recommendations on disciplinary/other action(s).
- g) The timeline for final decision of investigation.

9.4. Decision

- 9.4.1 If an investigation leads the Chairman of Audit Committee to conclude that one or more Infringing Actions has been committed, then matter shall be placed before the Audit Committee, which shall decide such disciplinary/corrective actions as the Audit Committee may deem fit. The information for the same will be sent to the Ombudsperson.
- 9.4.2 Any disciplinary/corrective action initiated against the Subject as a result of the findings of an investigation shall be in accordance with the applicable personnel conduct and disciplinary procedures / policies and/or as per applicable law.

9.5. Reporting and Retention of Documents

9.5.1 The Ombudsperson shall submit a report to the Audit Committee on a quarterly basis about all Protected Disclosures (including those received by Chairman of Audit Committee) referred to him/her together with the results of the investigation, if any. The Audit Committee shall in turn submit its report to the Board of Directors.

9.5.2 The related documents need to be preserved for minimum of five years from the date of final reporting.

10. AMENDMENT

The Company reserves the right to amend the Policy at any point in time. Any amendment to the Policy shall take effect from the date when it is approved by the Board of Directors of the Company and hosted on the company website.

STOVEC INDUSTRIES LIMITED

PROTECTED DISCLOSURE FORM (STRICTLY CONFIDENTIAL)

(To be submitted in Duplicate)

Date:

To,
The Ombudsperson/Chairman of Audit Committee
Stovec Industries Limited
N.I.D.C., Nr. Lambha Village,
Post: Narol, Ahmedabad – 382 405,
Gujarat, India.

Name, Address, Designation & Contact telephone number of Whistle Blower	Name, Address & Designation of Person who is/are the subject of this protected disclosure (Person against whom you have concern or grievance)	
Nature of Infringing Action (Tick Relevant Items)		Tick (v)
a) Abuse of authority		
b) Breach of contract		
c) Manipulation of company data/records		
d) Financial irregularities, including fraud or suspected fraud		
e) Criminal offence		
f) Unauthorised disclosure or misuse of confidential/proprietary information		
g) Deliberate violation of law/regulation		
h) Wastage/misappropriation of company funds/assets		
i) Negligence causing substantial and specific danger to public health and safety		

j) Failure to implement or comply with any approved Company policy	
k) Unethical behaviour or illegal or unethical practices	
l) Any other violation/possible violation of the Code	
Complete detail of the matter (including background, history, place where the infringing actions noticed and reason for the complaint or concern.)	
Date on which breach or irregularity noticed	Supporting Evidence or documents, if any.

Remarks:

Signature of Whistle Blower

Note: To be submitted in Duplicate. One copy would be return as acknowledgement of receipt of Protected Disclosure.