

# STANDARD INDUSTRIES LTD.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

### **1. INTRODUCTION:**

- a. Standard Industries Limited (“the Company”) strives to conduct its affairs in a fair and transparent manner by adopting high standards of professionalism, transparency, integrity and ethical behaviour. The Company has adopted the Code of Conduct which lays down the principles and standards that should govern the actions of the Company and its employees.
- b. The Company has formulated the Code of Conduct (Code) which lays down the principles and standards that govern the actions of the Company and all its employees.
- c. Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchange(s), all listed companies are required to establish a Vigil Mechanism or Whistle Blower Policy for Directors and employees to report instances of unethical acts, actual or suspected fraud or violation of Company’s Code or other similar genuine concerns or grievances.
- d. Accordingly, this Vigil Mechanism / Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the Audit Committee of the Board of Directors of the Company or any member of such Audit Committee.
- e. The Vigil Mechanism does not release the employees from their duty of confidentiality and Company’s Code in the course of their employment.
- f. 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. “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 (corresponding to Section 292A of the Companies Act, 1956) read with Clause 49 of the Listing Agreement with the Stock Exchange/s.
- b. “Code” means the Company’s Code of Conduct.
- c. “Director” means any Director on the Board of Directors of the Company.
- d. “Employee” means every employee of the Company.
- e. “Investigator/s” mean person/s authorised, appointed, consulted or approached by the Chairman of the Audit Committee in the process of the investigation of any Protected Disclosure who may / may not be the employee of the Company, members of the Audit Committee and includes the auditors of the Company.
- f. “Protected Disclosure” means any communication made in good faith by the Whistle Blower that discloses or demonstrates information that may evidence unethical or improper activity.
- g. “Subject/s” 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. “Whistle Blower” is a Director or an employee making a Protected 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.

**4. ELIGIBILITY:**

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

**5. PROCEDURE:**

- a. All Protected Disclosures should be addressed to the Audit Committee preferably to the Chairman of the Audit Committee. The contact details are : c/o Vice President (Legal) & Company Secretary / Compliance Officer, Standard Industries Limited, Plot No.4, TTC Industrial Area, Thane Belapur Road, P.O. Millenium Business Park, Navi Mumbai - 400 710. Tel No : 91 22 6516 2883, 6516 2890, Fax No : 91 22 2778 0175; email: standardgrievances@rediffmail.com.
- b. If a protected 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. Protected 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 Protected Disclosure should be forwarded under a covering letter which shall preferably bear the identity of the Whistle Blower. The Chairman of the Audit Committee can initiate an investigation independently at his own discretion.
- f. The Chairman of the Audit Committee shall without disclosing the identity of the Whistle Blower, discuss the Protected Disclosure with Members of the Audit Committee and if deemed fit, forward the Protected Disclosure to the Investigator, for due investigation.
- g. 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 proper assessment of the nature and extent of the concern.

**6. INVESTIGATION:**

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigator.
- b. Protected 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 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 wrongdoing 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.
- k. The investigation shall be completed within 90 days of the receipt of the Protected Disclosure, unless otherwise decided by the Audit Committee.

**7. 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.

**8. DECISION:**

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

**9. 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 protected 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 Protected Disclosures for more than one occasion will be disqualified from reporting further Protected 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.

**10. 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 minimum period of seven years.

**11. 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.

*Approved & adopted by the Board of Directors at their meeting held on August 11, 2014.*