

STCI Finance Limited

Whistle Blower Policy/Vigil Mechanism

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Version 1	Compliance Department	March 03, 2015
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Whistle Blower Policy/Vigil Mechanism

01. PREFACE

STCI Finance Limited (hereinafter referred to as "the Company"), is committed to the highest standards of integrity and ethical behavior and promoting and maintaining a corporate culture that adheres to these values. This is relied upon by our shareholders, the financial markets and other stakeholders. The Company, therefore, has a duty to ensure that there is an adequate mechanism to address any complaints related to violation of the Code of Conduct, fraud, violation of the company's policies and procedures, law or regulations and other questionable accounting, auditing matter or operational process followed. In pursuance of this philosophy, the Company has in place a Whistle Blower Policy which provides a mechanism that will address complaints related to fraudulent transactions, intentional violation of Code of Conduct or Company's policies or any questionable accounting or other unacceptable practice or event that could affect the business or reputation of the Company and its subsidiaries.

Section 177 (9) of the Companies Act, 2013 and the rules framed there under, inter alia provides, a mandatory requirement for all listed companies and companies which have borrowed funds from Banks and Public Financial Institution in excess of Rs. 50 crores, to establish a vigil mechanism for directors and employees to report genuine concerns or grievances. Such vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Accordingly, in the light of the Vigil Mechanism envisaged under Section 177 of the Companies Act, 2013 and the rules framed there under read with the SEBI (Prohibition of Insider Trading) Regulations 2015, this Whistle Blower Policy provide a robust mechanism to ensure high standards of professionalism, integrity, honesty and ethical behavior.

This policy shall be posted on website of the Company www.stcionline.com. The details of the whistleblower mechanism should also be disclosed in the board's report.

02. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"**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 as amended from time to time.

"**Employee**" means every employee of the Company, including the Directors in the employment of the Company and person employed for a temporary purpose or period, or on a temporary basis.



"**Code of Conduct**" means the Code of Conduct as adopted by the Board of Directors from time to time for its Directors and Employees.

"**Board**" means the Board of Directors of STCI Finance Limited.

"**Investigators**" mean those persons authorised, appointed, consulted or approached by the **Principal Officer** or the Audit Committee and includes the auditors of the Company and the Police.

"**Principal Officer**" means the Managing Director & CEO of the Company.

"**Protected Disclosure**" means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical or actual or suspected fraud or any improper activity including leak of unpublished price sensitive information (as described more particularly under clause 4 & 5). Good faith shall not be present when the Whistle Blower does not have any factual basis for the communication of a disclosure and/or where a complaint is being made for personal gain.

"**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.

"**Whistle Blower**" means an employee, director, customer, vendor, contractor, dealer, member or any stakeholder of the company who makes or attempts to make a protected disclosure as defined above.

"**Whistle Blowing**" the deliberate, voluntary and protected disclosure of individual or organisational malpractice by a whistle blower who has or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by the organisation that is within its ability to control."

"**TAT**" or "**Turnaround Time**" refers to the amount of time taken to complete a process or fulfill a request from start to finish. TAT is used to measure efficiency and effectiveness in various fields and is crucial for planning, scheduling, and assessing performance. For the purpose of this policy, the TAT shall encompass acknowledgment of receipt, the investigation process, and the implementation of any required corrective actions.

03. ELIGIBILITY

All employees, directors, customers, vendors, contractors, dealers, members and any person having association/dealing with the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosure may be in relation to the Company or any other subsidiary company.



04. SCOPE/COVERAGE OF THE POLICY

The Protected Disclosure under this policy covers unethical or improper activity, malpractice and any event of misconduct which has taken place /suspected to take place which include but not limited to the following action:

- (i) Abuse of authority
- (ii) Breach of Company's Code of conduct or Ethics Policy
- (iii) Deliberate violation of laws/ regulations, Company's policies, Rules, procedures
- (iv) Intentional Financial or Compliance irregularities, including fraud, or suspected fraud.
- (v) Breach of terms & conditions of employment
- (vi) Manipulation of Company data / records and misuse of Company information
- (vii) Acts involving acceptance of bribe or any other form of corruption or theft, fraud, coercion and willful omission
- (viii) Procurement fraud
- (ix) Activity leading to incorrect financial reporting
- (x) Leakage of Unpublished Price Sensitive Information
- (xi) A substantial and specific danger to public health and safety
- (xii) An act of discrimination or sexual harassment
- (xiii) Misappropriation of company funds/assets and criminal breach of trust
- (xiv) Pilferation of confidential/ propriety information
- (xv) Criminal offence having repercussions on the Company or its reputation
- (xvi) Any other illegal or unethical or imprudent behavior, actual or suspected fraud which is injurious to the interests of the Company.
- (xvii) Any such act, which the whistle blower believes and has evidence of, that is in violation to company's Code of Conduct /values

05. CONCERNS NOT COVERED UNDER THE POLICY

- (i) The Policy should not be used in place of the Company's grievance or other procedures or be a route for raising malicious or unfounded allegations against colleagues.
- (ii) Career related or other personal grievances including decision relating to service matters such as transfer, increment, promotion , increments etc. are excluded from the policy.
- (iii) Matters which are pending before a court of law, tribunal, other quasi-judicial bodies or any government authority
- (iv) Anonymous or pseudonymous disclosures shall not be entertained.
- (v) Financial or business decisions taken by management/ employees in good faith will not be questioned under this policy.

06. PROCEDURE

6.1 All Protected Disclosures should be addressed by the Whistle Blower to the Principal Officer. The contact details of the Principal Officer are as under:



Mr. V Narayanamurthy

Managing Director & CEO

STCI Finance Limited

A/B1-802, Marathon Innova, Marathon

Nextgen Compound, Off Ganpatrao Kadam Marg,

Lower Parel. Mumbai 400 013.

E-mail Id: vnmurthy@stcionline.com

6.2 All Protected Disclosures concerning financial / accounting matters may be addressed to the Chairperson of Audit Committee of the Company for investigation. If the whistle blower believes that there is a conflict of interest between the Whistle Blower and the Principal Officer, the Protected Disclosures may directly be addressed to the Chairperson of the Audit Committee. The Whistle Blower in appropriate or exceptional cases will have direct access to the Chairperson of the Audit Committee. The contact details of the Chairperson of the Audit Committee are as under:

Mrs. Reena Banerjee

Audit Committee Chairperson

STCI Finance Limited

A/B1-802, Marathon Innova, Marathon

Nextgen Compound, Off Ganpatrao

Kadam Marg, Lower Parel (W)

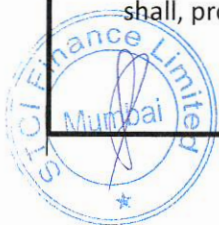
Mumbai 400 013.

Email Id: reenabanerjee121@gmail.com

6.3 Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

6.4 The Protected Disclosure should be forwarded in a sealed envelope superscribed as "Whistle Blower Complaint under a covering letter which shall bear the identity and address of the Whistle Blower. The complaint can also be lodged over e-mail to the Principal Officer or Chairman Audit Committee or the Company may alternatively provide an option of a web-based portal to enable Whistle blowers make a protected disclosure under this policy.

6.5 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 and the urgency of a preliminary investigative procedure. Protected Disclosures in relation to genuine and serious concerns of the nature set out in this Policy shall be reported. Anonymous disclosures will not be entertained as it would not be possible for it to interview the Whistle Blowers. Such anonymous disclosure shall be kept on file and on record and if at any subsequent stage the Whistle Blower comes forward identifying himself/herself to be the initiator of the concerned anonymous complaint with sufficient proof, the Principal officer / Audit Committee shall, proceed to deal with the same as per paragraph 8 below.



6.6. The Principal Officer/Chairman of the Audit Committee shall detach the covering letter and process the Protected Disclosure. If initial enquiries by the principal officer or Chairman of the Audit Committee (in exceptional cases) indicate that the issue raised has no basis or is not a matter to be pursued or further investigated under this policy, it may be dismissed at this stage and the decision will be documented. All Protected Disclosures received under the Whistle Blower Policy/ Vigil Mechanism shall be recorded and reported/ brought to the attention of the Audit Committee.

7. Initial Acknowledgment:

The Company shall within 2 business days of receipt of the protected disclosure acknowledge receipt of the whistleblower's complaint within the above TAT to confirm that it has been received and is under review. This initial response would reassure the whistleblower that their concern is being taken seriously.

TAT: Within 24 to 48 hours. (within 2 business days)

8. INVESTIGATION PROGRESS/ PERIODIC UPDATE TO THE AUDIT COMMITTEE

8.1 All Protected Disclosures requiring further investigation under this Policy would be thoroughly investigated by the Principal officer/Chairperson of the Audit Committee who would investigate / oversee the investigation under authorisation of the Audit Committee.

8.2 If initial enquiries indicate that further investigation is necessary, the Principal officer/Chairperson of the Audit committee may at his / her discretion consider involving any Investigators for the purpose of investigation. Where necessary and appropriate, external investigators may be appointed. The decision to conduct investigation by itself would not be tantamount to an accusation and is to be treated as a neutral fact-finding process.

8.3 The identity of subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation. Depending on the nature of the complaint, the Subject at the outset of formal investigations, may be informed of the allegations against him/her and have opportunities for providing their inputs / clarifications during the investigation.

8.4 The Whistle Blower, Principal Officer, Members of the Audit Committee, the Subject and everybody involved in the process of investigation shall maintain confidentiality of the information disclosed during the course of the investigation to the extent possible, except where necessary to conduct the investigation and take any remedial action, in accordance with applicable law.

8.5 The Subject, employees and supervisors have a duty to cooperate with the Principal officer/ Chairman of Audit Committee/ Investigators during investigation. If the subject fails to cooperate in an investigation, or deliberately provides false information during an investigation, or withholds, tampers or destroys evidence or influences witnesses, he/she shall be subject to disciplinary action.



8.6 Every investigation shall be conducted based on the principles of natural justice. Subjects shall be free at any time to engage a Counsel at their own cost to represent them in investigation proceedings. No allegation of wrongdoing against a subject shall be considered as maintainable unless there is an evidence in support of the allegation. The investigation shall be completed within 60 days of receipt of Protected Disclosure or within such extended time as granted by the Audit Committee. Subjects, have a right to be informed of the outcome of the investigation.

8.7 A report on all disclosures investigated shall be submitted to the Audit Committee on a quarterly basis. Upon receipt of report, the Audit Committee shall review the disclosure and investigation report. In exceptional circumstances, the Audit Committee may advise to re-investigate the disclosure.

8.8 If any member of the Audit Committee or any Officer involved in investigation has a conflict of interest in any given case, then he/she should recuse himself or herself and other members of the Committee should deal with the matter in hand.

Timelines:

(i) Preliminary Assessment:

TAT: Within 7-10 business days of the receipt of the whistleblower's complaint.

Details: The Company shall conduct a preliminary assessment to determine the nature and urgency of the complaint. This involves evaluating whether the complaint falls within the scope of the company's whistleblower policy and if immediate action is required.

(ii) Investigation Commencement

TAT: Within 10 business days after conducting the preliminary assessment.

Details: The Company shall initiate a thorough investigation into the complaint. This involves gathering relevant information, interviewing witnesses, and reviewing any pertinent documents.

(iii) Investigation Progress Updates:

TAT: every 2 to 4 weeks.

Details: The Company shall provide periodic updates to the Audit Committee of the Board (ACB) about the progress of the investigation.

09. PROTECTION

9.1 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 Blower. Complete protection will, therefore, be given to Whistle Blower against any



unfair practice like retaliation, threat, intimidation, discrimination, any type of harassment, biased behavior 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.

9.2 A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee who shall recommend suitable action to the management.

9.3 The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons beyond the control of the Chairman of Audit Committee i.e., during and after completion of the investigation.

9.4 Protection to Whistle Blower under this policy shall be available provided that (i) the Protected Disclosure is made in good faith, (ii) the whistle blower has reasonable information or documents in support thereof and (iii) not for personal gain or animosity against the subject. Anyone who retaliates against someone who has reported a violation in good faith is subject to disciplinary action.

9.5 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

10. DISQUALIFICATION

10.1 While it would be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of protection would warrant disciplinary action. A whistleblower who makes Protected Disclosures, which have subsequently found to be malafide or malicious or a Whistle Blower who makes three or more complaints, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, would be disqualified to report further protected disclosures under this policy. In respect of such Whistle Blowers, the Principal Officer/Audit Committee would reserve its right to recommend/take appropriate disciplinary action.

11. DECISION AND REPORTING

11.1 If at the conclusion of its investigation, an improper or illegal or unethical practice or conduct or a violation of Company's Code or policy is proved, the Principal Officer / the Audit Committee shall recommend the Management of the Company to take such disciplinary or corrective action commensurate with the severity of the offense as well as preventive measures for the future, as it may deem fit. It is clarified that in the event the Principal officer, after reviewing and discussing the investigation report determines that the same should be placed before the Audit Committee for directions on the matter, it shall place the same before the Audit Committee along with its own findings and recommendations (if any) for its directions.



11.2 It is clarified that any disciplinary or corrective action initiated against the subject as a result of findings of investigation pursuant to this policy shall adhere to the applicable staff conduct and disciplinary procedures and applicable rules, procedures and policies of the Company.

11.3 A report on all Protected Disclosures received under the Policy and their outcome shall be placed before the Audit Committee on quarterly basis.

Timelines

(i) Final Report and Resolution:

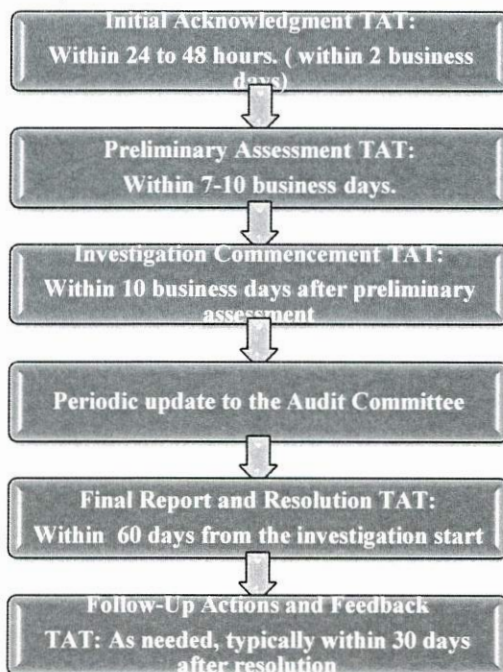
TAT: Within 60 days from the commencement of investigation.

Details: Complete the investigation and produce a final report outlining the findings, actions taken, and any resolutions or corrective measures implemented. Communicate the outcome to the whistleblower and relevant parties while maintaining confidentiality.

(ii) Follow-Up Actions and Feedback:

TAT: As needed, typically within 30 days after resolution.

Details: Implement and monitor any corrective actions or changes resulting from the investigation. Follow up with the whistleblowers to ensure that the whistleblower's concerns have been addressed and take steps to prevent recurrence.



12. 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 five years.



13. ADDITIONAL ENFORCEMENT INFORMATION

In addition to the Company's internal complaint procedure, employees should also be aware that certain central, federal, local and state law enforcement agencies are authorized to review questionable or potentially fraudulent reports. The Company's policies and practices have been developed as a guide to our legal and ethical responsibilities to achieve and maintain the highest business standards. Conduct that violates the Company's policies will be viewed as unacceptable under the terms of employment at the Company. Certain violations of the Company's policies and practices could even subject the Company and any individual employees involved to civil and criminal penalties. Before issues or behavior can rise to that level, employees are encouraged to report violations covered hereinabove. Nothing in this Policy is intended to prevent an employee from reporting information to the appropriate agency when the employee has reasonable cause to believe that the violation of a central, federal, local or state statute or regulation has occurred.

14. IMPLEMENTATION AND REVIEW OF THE POLICY

The Audit Committee shall oversee the implementation of the Whistle Blower Policy/Vigil mechanism. A report on the Protected Disclosures received along with the summary of findings and the action taken thereon shall be placed before the Audit Committee on a regular basis.

While the Company has made best efforts to give the detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures from time to time to give effect to the intent of this policy and objectives of good corporate governance. The policy will be reviewed and updated annually, or as needed, to align with regulatory changes and evolving best practices with approval of the Board on the recommendation of the Audit Committee.

15. NOTIFICATION

The policy including the amendments thereto will be notified by making the same available on the website of the Company www.stcionline.com. The details of the whistleblower mechanism should also be disclosed in the board's report.

