

WHISTLE BLOWER POLICY

1.Preface

Sanco Industries Limited (“the Company”) is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Towards this end, the Company has adopted two separate Codes of Conduct viz. one for Directors and other for Senior Management and Employees (collectively referred to as “Codes” or “the Codes”) and various Policies under the helm of Corporate Governance which inter alia include Policy on Disaster Management, Environment & Pollution, Human Resources, Insider Trading, Quality, Investor Relations, etc. (collectively referred to as “Policies”) which lays down the principles and standards that should govern the actions of the Company, its Directors and its Employees. Any actual or potential violation of the Code/Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors/Employees in pointing out such violations of the Code/Policies cannot be undermined.

Further, Clause 49 of the Listing Agreement inter alia provides for all listed companies to establish a mechanism called ‘Whistle Blower Policy’ for Directors/Employees to report to the Management, instances of unethical behavior, actual or suspected, fraud or violation of the Company’s Codes or Policies.

Accordingly, this Whistle Blower Policy (“the Policy” or “this Policy”) has been formulated with a view to provide a mechanism for Directors/ Employees of the Company to approach the Chief Chairperson of the Audit Committee of the Company or Chairman of the Company or Corporate Governance Cell.

This Policy is in addition to the Codes, Policies and the structure inter-alia consisting of Corporate Governance Coordinator(s) and the Corporate Governance Officer(s) functioning there under. The existing policies will continue to remain effective.

Vigil Mechanism: The Vigil Mechanism as envisaged in the Companies Act 2013 and the Rules prescribed is implemented through the Whistle Blower Policy to 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.

2.Scope

- a. The Whistle Blower’s role is that of a reporting party with reliable information. 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.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by Chairperson of the Audit Committee or Chairman of the Company or Corporate Governance Cell or the Investigators.
- c. Protected Disclosure will be appropriately dealt with by the Chairperson of the Audit Committee or the Chairman of the Company or Corporate Governance Cell, as the case may be.

3. Eligibility

All Directors/ Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

4. Disqualifications

- a. While it would be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower(s) knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to be mala fide, malicious, frivolous or baseless, or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

5. Procedure

- a. All Protected Disclosures concerning financial/accounting or any other matter concerning the employees of any level should be addressed to the Chairman of the Audit Committee of the Company for investigation.

The contact details of the Chairman of the Audit Committee are as under:

Name: - Mr. Saurabh Gupta

Contact No: - 09935305290

Email: - guptasaurabh1980@gmail.com

- b. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action.

Appropriate care must be taken to keep the identity of the Whistleblower confidential.

- c. Protected Disclosures should preferably 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 Whistleblower.
- d. The Protected Disclosure should be forwarded under a covering letter which may bear the identity of the Whistleblower. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- e. 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.

f. The Whistleblower may disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will also be entertained. However it may not be possible to interview the Whistleblowers and grant him/her protection under the policy.

6. Investigation

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Chairman of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b. The Chairman of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- 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 and the Whistle Blower will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Chairman of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws. .
- g. Subjects have a right to consult with a person or persons of their choice, other than the Chairman of the Company / Chairperson or Members of the Audit Committee / Corporate Governance Cell / Investigators / the Whistle Blower(s).
- h. Subjects have 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 Subjects.
- i. Unless there are compelling reasons not to do so, Subjects would be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure.
- l. In case of allegations against subject are substantiated by the Whistle Officer in his report, the AC shall give an opportunity to Subject to explain his side.

7. Protection

- a. No unfair treatment would be meted out to a Whistle Blower(s) 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(s). Complete protection would, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or 10 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 would take steps to minimize difficulties, which the Whistle Blower(s) may experience as a result of making the Protected Disclosure
- b. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

- c. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

8. Disqualifications

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. 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.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or malicious or Whistle Blowers who make 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 Disclosures under this Policy. In respect of such Whistleblowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

9. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee as the case may be, which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct, and
 - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

10. Decision

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11. Reporting

A report with number of complaints received under this Policy and their outcome shall be placed by the Corporate Governance Cell before the Audit Committee on a regular basis.

12. Disclosure

The details of establishment of such mechanism shall be disclosed by the company on its website and in the Board's report.

The Annual Report of the Company shall also disclose and affirm that no personnel has been denied the access of the audit committee for to raise his/her concern pursuant to the policy.

13. Review of Functioning by Audit Committee

The Audit Committee of the Company shall be responsible to review periodically the efficient and effective functioning of the vigil mechanism.

14. 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.

15. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees and directors unless the same is notified to the employees and directors in writing.