
WHISTLE BLOWER POLICY



Standard Capital
Markets Limited

STANDARD CAPITAL MARKETS LIMITED

Table of Contents

1. Policy Statement	1
2. Purpose of the Policy	2
3. Definitions	3
4. Applicability of the Policy	4
5. Scope of the Policy	5
6. Governance Structure.....	7
7. Procedure for Reporting Protected Disclosures.....	8
8. Investigation Guidelines	11
9. Whistle-Blower Protection Standards.....	12
10. Conduct of Investigators	13
11. Decision & Reporting.....	14
12. Fraud-Related Whistle-Blower Complaints.....	15
13. Confidentiality	15
14. Retention of Documents	16
15. Approval, update and Review.....	16
ANNEXURE 1	18

Whistle Blower Policy

DOCUMENT IDENTIFICATION INFORMATION

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This policy is issued by Standard Capital Markets Limited (hereinafter referred to as “Company” or “SCML”) and encompasses all affiliated entities, employees, and stakeholders associated with SCML’s operations.

1. Policy Statement

SCML is committed to maintaining the highest standards of ethical conduct, transparency, and accountability in all its operations.

- 1.1. The Whistleblower Policy is formulated to encourage employees, directors, and other stakeholders to report instances of unethical behaviour, fraud, or violations of SCML’s policies, in a safe and confidential manner, without

fear of retaliation. SCML ensures that any reported concerns are thoroughly investigated, and appropriate actions are taken.

- 1.2. This policy has been formulated by SCML in compliance with “*Clauses 2.5 of the Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs), including Housing Finance Companies (HFCs), issued by the Reserve Bank of India (RBI) on July 15, 2024*” and is also aligned with the requirements of *The Companies Act, 2013*, which mandates the establishment of a vigil mechanism for directors and employees to report genuine concerns.
- 1.3. SCML is committed to adhering to these regulatory guidelines and maintaining a robust framework for identifying, reporting, and managing fraud risks effectively.
- 1.4. SCML already constitutes an Audit Committee to oversee the vigil mechanism through the committee and by the members of the committee.

2. Purpose of the Policy

- 2.1. The purpose of SCML in formulating Whistleblower Policy:
 - 2.1.1. Provide a structured mechanism for employees, directors, and other stakeholders to report instances of unethical behaviour, fraud, or any violations of SCML’s policies, applicable laws, and regulations in a secure and confidential manner.
 - 2.1.2. Foster a culture of openness, integrity, and accountability within SCML by encouraging individuals to report concerns without fear of retaliation, reprisal, or any adverse consequences.
 - 2.1.3. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards,

the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without any fear of punishment or unfair treatment.

2.1.4. Ensure that all concerns and reports related to misconduct, fraudulent activities, or policy violations are promptly and thoroughly investigated, with appropriate corrective actions taken to address and rectify the issues.

2.1.5. Safeguard the rights of whistleblowers by offering protection against any form of harassment, victimization, or discrimination as a result of raising genuine concerns in good faith.

2.1.6. Comply with regulatory requirements issued by the RBI or any other statutory authority, which mandates the establishment of a vigil mechanism for reporting and addressing complaints.

2.1.7. The Vigil Mechanism/Whistle Blowers Mechanism shall provide for adequate safeguards against victimization of Directors and Employees who avail of such mechanism and also make provisions for direct access to the chairperson of the Audit Committee in exceptional circumstances.

3. Definitions

3.1. “Whistleblower”: A whistleblower is a vigilant individual, typically an employee, director, or stakeholder, who, in good faith, raises concerns or discloses information about unethical practices, misconduct, or improper activities within the organization.

3.2. “Protected Disclosure”: Refers to a concern raised by a written communication, made in good faith, that discloses or

demonstrates information evidencing unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.

- 3.3. “Vigilance Officer” means a person/officer of the Company, which is appointed by the Audit Committee.
- 3.4. “Employee” means every employee of the company, including the Directors in the employment of the company.
- 3.5. “Audit Committee”: Refers to the audit committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 18 of the Listing Regulations in alignment with the RBI Guidelines on corporate governance NBFCs, as amended from time to time.
- 3.6. “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.
- 3.7. “Investigators”: Refers to individuals who are authorized, appointed, consulted, or approached the Audit Committee to investigate Protected Disclosures. This includes internal auditors, external auditors, or other designated persons with the authority to carry out investigations as per the scope of this policy.

4. Applicability of the Policy

- 4.1. The Policy applies to all employees, directors, and stakeholders of SCML, including but not limited to:
 - 4.1.1. All full-time, part-time, and contract employees, regardless of their position or role within SCML.
 - 4.1.2. Members of the Board of Directors, including executive, non-executive, and independent directors.

- 4.1.3. Consultants, contractors, vendors, and other external stakeholders who have a business relationship with SCML.
- 4.2. The policy extends to all subsidiaries and affiliate companies where SCML has control or significant influence.
- 4.3. This Policy is applicable to any individual or entity associated with SCML who may wish to raise concerns related to unethical behaviour, fraudulent activities, or violations of SCML's policies, legal requirements, or regulatory directives.
- 4.4. The mechanism intends to create a safe channel for reporting without the fear of retaliation, ensuring that the whistleblower's identity and confidentiality are always protected.

5. Scope of the Policy

- 5.1. The role of the Whistleblower is strictly that of a reporting party, possessing credible information regarding potential misconduct. Whistleblowers are not expected to act as investigators, nor are they responsible for uncovering facts or determining appropriate corrective or remedial actions in any given case.
- 5.2. Whistleblower are prohibited from engaging in any independent investigative activities. Their involvement in investigations shall be limited to providing information or assistance as requested by the Chairman of the Audit Committee or the Vigilance Officer.
- 5.3. Protected Disclosures received will be handled appropriately by the s or the Chairman of the Audit Committee, who will ensure that the matter is addressed with the utmost seriousness and confidentiality.

- 5.4. This Policy of SCML encompasses any wrongful conduct or malpractices that may occur within SCML, including but not limited to:
- 5.4.1. Any unlawful acts, whether criminal or non-criminal in nature.
 - 5.4.2. Breach of any policies, manuals, or codes of conduct adopted by SCML.
 - 5.4.3. Various forms of abuse, including physical, psychological, or financial exploitation or neglect.
 - 5.4.4. Fraud and corruption, such as soliciting or accepting gifts or rewards as bribes.
 - 5.4.5. Instances of non-compliance with legal or statutory obligations, whether on behalf of the SCML or in a personal capacity while performing SCML's duties.
 - 5.4.6. Financial malpractices of any kind.
 - 5.4.7. Abuse of power, including bullying or harassment.
 - 5.4.8. Negligence that poses substantial and specific dangers to public health and safety.
 - 5.4.9. Misappropriation or wastage of SCML 's funds/assets.
 - 5.4.10. Unauthorized disclosure of Unpublished Price Sensitive Information ("UPSI").
 - 5.4.11. Any other unethical or improper conduct.
- 5.5. This Policy is established to empower individuals to raise their Protected Disclosures concerning any malpractice, impropriety, abuse, or wrongdoing at any stage, without fear of victimization, discrimination, or disadvantage.
- 5.6. The mechanism should not be misused to challenge financial, or business decisions made by SCML's management or to revisit issues that have already been resolved through disciplinary or other established procedures.

6. Governance Structure

The governance structure for the Policy is designed to ensure effective oversight, transparent processes, and accountability in handling Protected Disclosures. The key components of this governance structure are as follows:

Audit Committee of the Board

The ACB plays a crucial role in overseeing the Policy.

The responsibilities of the Audit Committee include:

- Reviewing and evaluating the effectiveness of the Whistleblower Policy and its implementation.
- Ensuring that all Protected Disclosures are taken seriously and addressed in a timely manner.
- Overseeing investigations conducted in response to Protected Disclosures and ensuring that appropriate remedial actions are taken where necessary.
- Assessing the adequacy of resources allocated for the implementation of this Policy and for conducting investigations.
- Reporting to the Board on the effectiveness of the Policy, any significant findings from investigations, and recommendations for improvements.

The Audit Committee shall oversee the Protected Disclosures, in which the template of Protected Disclosure is mentioned in **Annexure 1**.

**Vigilance
Officer**

The Vigilance Officer when appointed by SCML's Audit Committee shall be responsible for overseeing the implementation of this Policy. The Vigilance Officer shall:

- Serve as the primary point of contact for Whistleblowers to submit Protected Disclosures.
- Ensure the confidentiality of all disclosures and protect the identity of Whistleblowers to the extent possible.
- Conduct preliminary assessments of Protected Disclosures and determine the need for further investigation.
- Maintain records of all Protected Disclosures received and actions taken in response to such disclosures.

Report regularly to the Audit Committee on the status of investigations and any trends in reported issues.

7. Procedure for Reporting Protected Disclosures

This Procedure outlines the steps for reporting Protected Disclosures and ensuring proper investigation and resolution within SCML.

7.1. Reporting of Protected Disclosures

7.1.1. Any director, employee, or stakeholder who observes or suspects wrongful conduct—such as misuse of authority, fraud, violation of company policies, negligence causing harm to public health and safety, misappropriation of funds, or other activities detrimental to SCML's interests—must report the matter in writing as soon as possible.

7.1.2. All Protected Disclosures should be reported in writing by the Whistle Blower at the earliest opportunity upon becoming aware of the issue, to facilitate a clear and accurate understanding of the matters raised.

7.1.3. The following types of complaints will generally not be considered or acted upon under this Policy:

7.1.3.1. Complaints that are vague or anonymous, including those submitted under pseudonyms.

7.1.3.2. Complaints that are trivial, frivolous, or intended to harass rather than highlight genuine concerns.

7.1.3.3. Matters that are already pending before a court of law, tribunal, National Human Rights Commission, or any other judicial or quasi-judicial authority.

7.1.3.4. Complaints involving matters that are significantly old or outdated from the date of the alleged act or violation.

7.1.3.5. Issues related solely to personal grievances or loan-related service matters that do not constitute a policy violation or improper conduct within the scope of this Policy.

7.1.4. Protected Disclosures should be submitted to the designated Vigilance Officer which is appointed by the Audit Committee or by the SCML.

7.1.5. If the Protected Disclosure concerns the actions of the Vigilance Officer, it should be addressed by Audit Committee, and if Protected Disclosures concerns the actions of the Chairperson or the

members of the Audit Committee, it should be addressed directly to the Managing Director of SCML.

7.2. Guidelines for Submitting Protected Disclosures

- 7.2.1. All Protected Disclosures must be submitted in a closed and secure envelope to maintain confidentiality.
- 7.2.2. To protect the identity of the Whistleblower, no names or addresses should be included on the envelope. The Vigilance Officer or the Audit Committee will not issue any acknowledgment of receipt.
- 7.2.3. If any employee receives a Protected Disclosure, they must forward it immediately to the Vigilance Officer or to the members of the Audit Committee for appropriate action.

7.3. Content of the Protected Disclosure

- 7.3.1. Protected Disclosures should be factual and detailed, providing specific information about the suspected misconduct to enable a thorough investigation. Speculative statements or conclusions should be avoided.
- 7.3.2. The disclosure should preferably be written in clear handwriting or typed, either in English or in the regional language applicable to the workplace.
- 7.3.3. The Protected Disclosure should be submitted with a covering letter that identifies the Whistleblower. The Vigilance Officer or the Audit Committee will

detach the covering letter before forwarding the disclosure to the appropriate Investigator.

7.4. Investigation Process

7.4.1. Upon receipt of the Protected Disclosure, the Vigilance Officer or the Audit Committee will document the complaint and may seek further information from the Whistleblower for a comprehensive investigation.

7.4.2. In case of repeated frivolous complaints being filed by a director or employees, the Audit Committee or the director nominated to play the role of Audit Committee may take suitable action against the concerned director or employee including reprimand.

8. Investigation Guidelines

- 8.1. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Vigilance Officer of SCML, who will conduct or oversee the investigations under the authorization of the Audit Committee. The Chairperson of the Audit Committee, at their discretion, involve external investigators to assist in the investigation.
- 8.2. Investigations shall be conducted fairly, objectively, and in a neutral manner, without presumption of guilt, and as a fact-finding process.
- 8.3. The identity of the Subject will remain confidential to the extent possible, taking into account the legitimate needs of the investigation.
- 8.4. The Subject will be given a reasonable opportunity to provide input during the investigation. No allegation will be considered valid unless supported by credible evidence.

- 8.5. The Subject shall have a duty to cooperate with the Vigilance Officer or the Audit Committee during the investigation process, without infringing on their legal right against self-incrimination.
- 8.6. The Subject will be permitted access to documents and information necessary for their defense, provided that the identity of the Whistle Blower is redacted or concealed as required.
- 8.7. The Subject must not interfere with the investigation. This includes avoiding the withholding, destruction, or tampering of evidence, or influencing, coaching, threatening, or intimidating witnesses.
- 8.8. The Subject has the right to be informed of the investigation outcome. If the allegations are not sustained, the Subject may decide, in consultation with the Audit Committee, whether the results of the investigation should be publicly disclosed. The final decision rests with the Vigilance Officer or Audit Committee.
- 8.9. Investigations will normally be completed within 90 days of receipt of the Protected Disclosure. If the investigation cannot be completed within this period, the Vigilance Officer must provide valid and substantial reasons for the delay. If the allegations against the Subject are substantiated in the Vigilance Officer's report, the Audit Committee shall give the Subject an opportunity to present their explanation before final decisions are made.

9. Whistle-Blower Protection Standards

- 9.1. SCML ensures that no unfair treatment will be meted out to any Whistle Blower who, in good faith, reports a Protected Disclosure under this Policy.

- 9.2. Whistle Blowers will be safeguarded against any form of retaliation or adverse actions, including but not limited to threats, harassment, termination, suspension, demotion, transfer, denial of promotion, or any other form of discrimination. This protection extends to ensuring the Whistle Blower's right to continue performing their duties without obstruction.
- 9.3. If the Whistle Blower experiences or perceives any retaliation or violation of this protection, they may report the matter to the Chairman of the Audit Committee. The Chairman will initiate an investigation or appoint a suitable investigator to handle the matter and recommend appropriate remedial action to the Management.
- 9.4. The identity of the Whistle Blower will be maintained in strict confidence, as far as practicable and permissible by law. Any disclosure of identity will only be made in compliance with legal requirements or to prevent serious harm or risk.
- 9.5. Any employee or individual assisting in the investigation of a Protected Disclosure will be afforded the same protections as the Whistle Blower. This ensures the full cooperation and support of those involved in the investigative process without fear of retaliation.

10. Conduct of Investigators

- 10.1. Investigators are responsible for conducting a detailed fact-finding process to analyze and evaluate the validity of the allegations.
- 10.2. The Investigators derive their authority and access rights from the Vigilance Officer and/or the Audit Committee while conducting investigations within the course and scope of this policy.

- 10.3. Investigators may utilize technical and other necessary resources to support the investigation process. All Investigators must maintain independence and objectivity, avoiding any conflicts of interest.
- 10.4. Investigators must uphold fairness, thoroughness, and ethical conduct, while adhering to legal and professional standards throughout the investigation.
- 10.5. Investigations will only be initiated after a preliminary review by the Chairman of the Audit Committee or the Vigilance Officer of SCML, which confirms the following:
 - 10.5.1. The alleged act constitutes improper or unethical conduct.
 - 10.5.2. The allegation is supported by sufficient, specific information to justify further investigation. In cases where the information is insufficient, but the matter is deemed significant for review, an investigation may be conducted, but it should not be regarded as a formal inquiry into unethical or improper conduct.

11. Decision & Reporting

- 11.1. Upon completion of an investigation, the Chairman of the Audit Committee concludes that an improper or unethical act has occurred, they shall recommend appropriate disciplinary or corrective action to SCML's Management.
- 11.2. The final decision on the action to be taken will rest with the Management based on the recommendation of the Audit Committee of SCML.
- 11.3. Any disciplinary or corrective action taken against the Subject as a result of the investigation will be in accordance with the applicable procedures of SCML.
- 11.4. The Vigilance Officer shall submit a report to the Audit Committee on a regular basis, summarizing all Protected

Disclosures received since the last report, along with the status and outcomes of any investigations conducted.

12. Fraud-Related Whistle-Blower Complaints

- 12.1. SCML is committed to ensuring a transparent and effective mechanism for handling Whistle Blower complaints involving potential fraud or suspicious account activities in compliance with regulatory requirements.
- 12.2. All Whistle Blower complaints reporting suspected fraud or unusual account activity shall be reviewed promptly by the Vigilance Officer. The Vigilance Officer may, at their discretion, involve the Audit Committee or external experts to facilitate a comprehensive investigation.
- 12.3. Investigations related to fraud or suspicious activity shall be conducted thoroughly, objectively, and without presumption of guilt. Upon conclusion of the investigation, appropriate measures shall be recommended to the Management to address any confirmed fraudulent activities or suspicious actions.
- 12.4. The findings and outcomes of each fraud-related investigation shall be documented in detail and submitted to the Audit Committee. The report shall include any recommendations for corrective actions to mitigate future risks.

13. Confidentiality

- 13.1. The Whistle Blower, Vigilance Officer, members of the Audit Committee, the Subject, and all individuals involved in the process shall maintain the strict confidentiality of all matters under this Policy.

- 13.2. Disclosure of information shall be limited strictly to those required under this Policy for the purpose of conducting investigations and taking necessary actions.
- 13.3. All physical and electronic documents related to the investigation must be handled with care, ensuring they are never left unattended.
- 13.4. Electronic mails and files related to the investigation must be secured with appropriate passwords and encryption.
- 13.5. Confidentiality must be maintained at all times during and after the investigation process, and all parties involved are required to adopt necessary precautions to uphold the confidentiality of the matter.

14. Retention of Documents

- 14.1. All documents, including reports, communications, and evidence collected or created during the course of an investigation under this Policy, shall be securely maintained by the Vigilance Officer or by the Audit Committee.
- 14.2. The records shall be retained for a minimum period of seven (7) years from the date of completion of the investigation, or as required under applicable law, whichever is longer.
- 14.3. In cases of ongoing legal or regulatory proceedings, the retention period may be extended until such proceedings are concluded.
- 14.4. After the expiration of the retention period, the documents shall be disposed of in a secure and confidential manner, ensuring that no sensitive information is compromised.

15. Approval, update and Review

- 15.1. This policy shall be approved by the Board of the SCML and shall be updated as and when there are any changes

introduced by the Guidelines/Acts/Rules/directions issued by the RBI or by the Companies Act, 2013.

15.2. The Policy shall be reviewed by the Board of Company.

15.3. The details of the Establishment of the Policy shall be disclosed on the SCML's website and in the Board's Report.

ANNEXURE 1
PROTECTED DISCLOURESES

Field	Details
Date	
Name (Optional)	
Designation	
Department	
Nature of Concern	<input type="checkbox"/> Fraud <input type="checkbox"/> Violation of Policy <input type="checkbox"/> Unethical Behavior <input type="checkbox"/> Other
Brief Description of the Issue	
Supporting Documents Attached	<input type="checkbox"/> Yes <input type="checkbox"/> No
Confidentiality Request	<input type="checkbox"/> I wish to remain anonymous <input type="checkbox"/> Keep my identity confidential

(Signature)

Date:

Place:
