



MSTC LIMITED WHISTLE BLOWER POLICY/ VIGIL MECHANISM

I. PREAMBLE

- This policy is formulated to provide opportunity to employees to access in good faith, to the Competent Authority in case they observe unethical and improper practices and/or activities or any other wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees. Board of Directors of the company at its meeting held on 12.12.2011 had accorded approval to the Whistle Blower Policy.
- MSTC Ltd. became a Listed Company w.e.f 29th March, 2019. Accordingly, apart from the Companies Act, 2013, the company will now also be required to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that listed companies shall establish an effective whistle blowing/vigil mechanism. Further, SEBI vide recent amendments to Prevention of Insider Trading (PIT) Regulations, 2015 inserted clause 9A(6), which inter-alia provided that the listed company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.
- In view of the above and in pursuance with the best practices of Corporate Governance, the Company has incorporated few changes in its existing Whistle Blower Policy. The revised policy is provided hereunder:

II. POLICY & POLICY OBJECTIVES

- a. In compliance with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), SEBI Prevention of Insider Trading (PIT) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs-2010 (DPE Guidelines) as amended thereto, MSTC Limited, being a Listed Company, has established a Whistle Blower Policy in order to provide a framework for its employees, Directors and stakeholders of the company to report any unethical behaviour/improper activity/wrongful conduct.

b. POLICY OBJECTIVES

1. The Whistle Blower Policy aims to provide a channel to the Directors, Employees and stakeholders to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct for Board Members and Senior Management Personnel and also the instances of leak of unpublished price sensitive information.
2. The Policy also provides for adequate safeguards against victimization of Directors and Employees to avail of the mechanism and also provides for direct access to the Chairman of Audit Committee in exceptional cases.



3. However, Whistle Blower will not be protected under this policy for any disciplinary action on account of his poor job performance or misconduct and which is independent of any disclosure made by the Whistle Blower.
4. For the sake of absolute clarity, it is specified that the Whistle Blower Policy does not tantamount in any manner to dilution of the Vigilance mechanism in the Company. Rather, over and above the existing Vigilance Mechanism, any 'Protected Disclosure' made by an employee under this policy, if perceived to have a vigilance angle, will be referred to the Chief Vigilance Officer, MSTC Limited, as per the existing practice.

III. APPLICABILITY

This policy applies to all employees, including Board of Directors and all stakeholders including vendors of the Company with effect from the date on which the same is being approved by the Board of Directors of the Company.

IV. DEFINITIONS

1. Adverse Personnel Action

An employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leave and training or other privileges.

2. Audit Committee

Audit Committee shall mean the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI Listing Regulations and Para 4.1 of the DPE guidelines on Corporate Governance for CPSEs issued in 2010.

3. Company

Company means MSTC Limited.

4. Competent Authority

Competent Authority means the Chairman & Managing Director of the Company and will include any person(s) to whom he/she may delegate any of his/her powers as the Competent Authority under this policy from time to time. In case of conflict of interest (CMD being the subject person), Competent Authority means the Chairman - Audit Committee.

5. Concerned Officials- means the any person to whom the competent authorities delegate the power under this policy.

6. Disciplinary Authority- means the Disciplinary Authority as defined in the CDA Rules of the Company.



7. Employee

Employee means every person in the employment of the Company (whether working in India or abroad on full time or Part time or persons appointed on adhoc/temporary/contract basis, trainee, apprentices), including the Directors on the Board of the Company.

8. Exceptional Case

Exceptional case means a Protected Disclosure concerning the Director(s) of the Company and/or where there is a conflict of interest between the competent authorities and the whistle blower.

9. Good Faith

An employee shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct.

Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

10. Investigator

Investigator shall mean the Chief Vigilance Officer (CVO) or those persons authorized, appointed, consulted or approached by the /Competent Authority in connection with conducting investigation into a protected disclosure and include the Auditors of the Company.

11. Key Managerial Personnel

“Key Managerial Personnel” means

- i. the Chief Executive Officer or the Managing Director or the Manager
- ii. the Whole-Time Director;
- iii. the Chief Financial Officer
- iv. the Company Secretary
- v. officer(s) in the Grade of E-8
- vi. Such other officer as may be prescribed.

12. Managerial Personnel

Managerial Personnel shall include Director(s), all Executives, Key Managerial Personnel and all those officers who have authority to make or materially influence significant personnel decisions.

13. Policy or This Policy

Policy or This Policy means, “Whistle Blower Policy.”

14. Protected Disclosure or Complaint

Protected Disclosure or Complaint means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity, which would be factual and not speculative and should contain as much specific information as possible so that the nature and extent of the concern be assessed appropriately. No personal grievance shall be covered under Protected Disclosure or Complaint under this policy.

15. Service Rules/Code

Means the MSTC Employees' Conduct, Discipline and Appeal Rules, (CDA) 1986 as amended from time and time and model code of business conduct and Ethics for Board Members and Senior Management of MSTC Ltd.

16. Subject

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.

17. Unethical and Improper Practices/Activities

Unethical and improper practices/activities shall mean and include -

- a) Violating the service rules and code of conduct as made by the Company from time to time.
- b) An act which does not conform to approved standard of social and professional behaviour;
- c) An act which leads to unethical business practices;
- d) Improper or unethical conduct;
- e) Breach of etiquette or morally offensive behaviour, etc.
- f) Leaking of unpublished price sensitive information.
- g) Activities which have no nexus to the working of the Company and are purely of personal nature are specially excluded from the definition of Improper Practices/ Activity.

18. USPI or Unpublished Price Sensitive Information

Unpublished Price Sensitive Information means any information related to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- i. Financial results;
- ii. Dividends;
- iii. Change in capital structure;
- iv. Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- v. Changes in Key Managerial Personnel;



19. Whistle Blower

An employee, Director and other stakeholders making a Protected Disclosure under this policy.

20. Wrongful Conduct

Alleged Wrongful Conduct shall mean violation of law, infringement of Company's Code of Conduct or ethic policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

V. WHISTLE BLOWER - ROLE & PROTECTIONS

ROLE-

- a. The Whistle Blower's role is that of a reporting party with reliable information.
- b. The Whistle Blower is not required or expected to conduct any investigations on his own.
- c. The Whistle Blower may also be associated with the investigations, if the case so warrants. However, he /she will not have a right to participate.
- d. 'Protected Disclosures' will be appropriately dealt with by the Competent Authority.
- e. The Whistle Blower will have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

PROTECTION:

- a. No adverse personnel action shall be taken or recommended against an employee in retaliation to his disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This policy protects such employees from unfair termination and unfair prejudicial employment practices.
- b. If the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, arrangements will be made for Whistle Blower to receive advice about the procedure. Expenses incurred by the Whistle Blower in connection with the above, towards travel etc., will be reimbursed as per normal entitlements.
- c. Any other Employee assisting in the said investigation will also be protected to the same extent as the Whistle Blower.

VI. Concerned Official's Duties & Responsibilities:

- a. Be familiarize with this policy.
- b. Notify all employees of their protections and obligations under the "Policy" of the Company.



- c. Receive Concerns from Whistle blower and properly records and act as per the policy.
- d. Concerned Official should demand for significant evidence from Whistle blower, while registering the Concern.
- e. Forward Whistle-blower Concern / Report to the Competent Authority.
- f. All Concerns/Reports of fraud or suspected fraud shall be handled with utmost speed and shall be coordinated by the Concerned Official.
- g. Concerned Official is empowered and shall ensure that all relevant records/ documents and other evidence is being immediately taken into custody and being protected from being tampered with, destroyed or removed by suspected perpetrators of fraud or by any other official under his influence, on receiving input about any suspected fraud.
- h. Concerned Official shall maintain a register for registration of Whistle-blower's Concerns. Each Concern shall bear unique number

VII. GUIDELINES

1. Internal Policy & Protection under Policy

This Policy is an internal policy on disclosure by employees of any unethical and improper practices/activities or wrongful conduct and access to the Competent Authority and in exceptional cases, access to the Chairman of the Audit Committee. Information should normally be given within 30 days of being aware of the information.

This Policy prohibits the Company to take any adverse personnel action against its employees for disclosing in good faith any unethical & improper practices or alleged wrongful conduct to the Chairman and Managing Director or to the Chairman of Audit Committee. Any employee against whom any adverse personnel action has been taken due to his disclosure of information under this policy may approach the CMD/Audit Committee.

2. False Allegation & Legitimate Employment Action

An employee who knowingly makes false allegations of unethical & improper practices/activities or alleged wrongful conduct shall be subject to disciplinary action by the Audit Committee, up to and including termination of employment, in accordance with Company rules, policies, procedures and as per statutory legislations, if any.

3. Reporting of fraud/unethical practices.

- i. All stakeholders including vendor(s) and an employee (full time or Part time or persons appointed on adhoc/temporary/contract basis, trainee, apprentices) including directors of the Company who comes to know of any fraud or suspected fraud or notice any other fraudulent activity must report such incident(s) as soon as possible but not later than 30 days from the date of such knowledge.
- ii. Such reporting shall be made to the Competent Authority or directly to the Chairman of Audit Committee in exceptional cases or to such official appointed by the CMD.

- iii. If however, time constraints are there to report the matter to the Competent Authorities, such reports should be made to the immediate controlling officer, who shall ensure that input received is immediately communicated to the Competent Authority.
- iv. If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle blower, he may send his “Protected Disclosure” directly to the Chairman of Audit Committee.
- v. The reporting of the fraud normally should be in writing and should be in a sealed/closed/secured envelope and should be super-scribed “Protected Disclosure under MSTC LTD Whistle blower Policy”. (If the envelope is not super-scribed and closed/sealed/secured, it will not be possible to provide protection to the whistle blower as specified under this policy). In case the reporter is not willing to furnish a written statement of fraud but is in a position to give sequential and specific transaction of fraud/suspected fraud, then the officer receiving the information should record such details in writing as narrated by the reporter and also maintain the details about the identity of the official/employee/other person reporting such incident.
- vi. The concerned official shall refer the protected disclosures to the Chairman of Audit Committee or such other officer appointed by the CMD duly concealing the identity of the whistle blower, after confirming the genuineness of the disclosure/ complaint.
- vii. The address and contact details of the CMD and the Chairman of Audit Committee of the company is given below:

Designation	Contact Details
Chairman and Managing Director	MSTC Limited 225C, A.J.C. Bose Road, Kolkata - 700 020
Chairman, Audit Committee	MSTC Limited 225C, A.J.C. Bose Road, Kolkata - 700 020

- viii. Reports can be made ‘in confidence’. The person to whom the fraud or suspected fraud has been reported must maintain the confidentiality with respect to the reporter. Such matter should under no circumstances be discussed with any other person who is not supposed to know about/or is not an authorized person in such matters.
- ix. Anonymous/ Pseudonymous complaints received, if not supported by the relevant evidence, may not be acted upon. However, a record of such complaints will be maintained. Also, a record of the reasons in writing (for not taking any action on such anonymous complaints) will be maintained by the Competent Authority.
- x. In the case the management finds the complaints to be motivated or vexatious, it shall be at liberty to take appropriate steps against complainant.



- xi. All reports of fraud or suspected fraud shall be handled with utmost speed and shall be coordinated by the Competent Authority.
- xii. The concerned official on receiving input about any suspected fraud shall ensure that all relevant records/documents and other evidence is being immediately taken into custody and being protected from being tampered with, destroyed or removed by suspected perpetrators of fraud or by any other official under his influence.

VIII. Notification

All departmental heads are required to notify, communicate the existence & contents of this policy to the employees of their department and ensure that policy is prominently displayed on all the notice boards. The new employees shall be informed about the policy by the Personnel department.

This policy as amended from time to time shall be made available at the website of the Company.

IX. Investigation & Role of Investigator(s):

a. Investigation:

- i. The concerned official in consultation with the Competent Authority shall determine whether the alleged act constitutes an unethical or improper practice or activity and whether the circumstances warrant an Investigation into the Complaint in the case. If it is determined that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.
- ii. If the concerned official is prima facie satisfied that the Complaint or Protected Disclosure warrants investigation of the alleged Improper Activity, he will, in consultation with the Competent Authority of the Company initiate the investigation.
- iii. The investigation shall be fair and objective, and shall be undertaken by a person or persons who have no conflict of interest either with the Whistle-blower or with the Subject.
- iv. 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.
- v. Subjects will normally be informed of the allegations at the outset of a formal investigation and will be given opportunities for providing their inputs during the investigation.
- vi. Subjects shall have a duty to co-operate with the Competent Authority 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.
- vii. 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, cajoled, threatened or intimidated by the Subjects.

- viii. Unless there are compelling reasons not to do so, Subjects will 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.
- ix. Subjects have a right to be informed of the outcome of the investigation.
- x. The investigation shall be completed normally within 45 days of the date of receipt of the protected disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.
- xi. In case of leak of UPSI or suspected leak of UPSI, procedure of Inquiry laid down in Code of Conduct for Prevention of Insider Trading in the Securities of MSTC Ltd. and Fair Disclosure of Unpublished Price Sensitive Information (Annexure-B) will be followed by the Competent Authority.

b. Role of Investigator(s):

Investigator(s) are required to conduct a process towards fact-finding and analysis. Investigator(s) will derive their authority from the Competent Authority when acting within the course and scope of their investigation. The Investigator(s) will submit his/their report to the Competent Authority.

All Investigators will perform their role in an independent and unbiased manner. Investigators have a duty of acting with fairness, objectivity, thoroughness, ethical behavior, and observance of professional standards.

X. Action

- a) If the Competent Authority is of the opinion that the investigation discloses the existence of improper activity which is an offence punishable under law, the Competent Authority may direct the concerned authority to take disciplinary action under applicable statutory provisions including referring the matter involving vigilance angle to Chief Vigilance Officer of MSTC for appropriate action as per CVC guidelines.
- b) The Competent Authority will take such other remedial action as deemed fit to remedy the improper activity mentioned in the protected disclosure and/or to prevent the reoccurrence of such improper activity.
- c) If the Competent Authority is of the opinion that no further action on the protected disclosure is warranted, the same shall be recorded in writing and also be incorporated in the Report to be submitted to the Audit Committee.

XI. Grievance

- XI (a) If the complainant feels aggrieved with the disposal of his/her complaint OR if the complainant or suspected employee feels that protection which either



of them is entitled to has not been provided or has been disregarded, the complainant or suspected employee as the case may be may make a representation in writing of his/her grievance to the CMD, who will take such action in the matter as the CMD considers necessary to redress the grievance.

- XI (b) If the complainant or suspected employee feels aggrieved with the action taken by the CMD on a representation made under Para XI(a) above, he/she may make a representation in writing of his/her grievance to the Chairman of the Audit Committee, who will take or direct such action to be taken on the representation as he will deem fit. The decision of the Chairman of the Audit Committee will be final and binding on the complainant and on the suspected employee(s).

XII. Retention of documents

All Protected Disclosures in writing or documented along with the reports of Investigation relating thereto, shall be retained by the Competent Authority for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

XIII. Confidentiality:

The Whistle Blower/ subject, Investigator (s), Concerned Official and Competent Authority and others connected with a Protected Disclosure shall maintain of all matters under this Policy, and they shall disclose/ discuss only to the extent or with those person(s) as required under this policy for completing the process of investigation and keep the papers and other materials in safe custody.

XIV Reporting and Review

- a) The Competent Authority will submit a report on the complaint, the investigation conducted, and action taken to the Chairman of the Audit Committee, who will have the power to review any action or decision taken by the Competent Authority. In case of difference of opinion between the report of Competent Authority and Audit Committee the matter will be referred to the Board and the decision of the Board will be final and binding on all parties.
- b) All employees of the Company will abide by, obey and be bound to implement any decisions taken or directions given by the Audit Committee /Board under or pursuant to this policy.
- c) The Competent Authority or such other persons as may be appointed by the competent authority will submit quarterly report of the protected disclosures, only if complaint is received and covered under this policy, the investigation conducted, and action taken to the Audit Committee for review. The status of the case(s) is to be provided by the Concern Department/ official to the competent authority/official on monthly basis so as to enable it to submit the quarterly report.



XV. Annual Affirmation

The CMD shall annually affirm that the Company has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action.

The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.

XVI. Amendment

Amendment(s), if any required, shall be made as under:

- (i) Amendment required due to changes/ modifications on account of change in law as amended from time to time, shall be appropriately factored in the Policy with the approval of the Chairman and Managing Director and be ratified by the Board of Directors of the Company at the next ensuing meeting; and
- (ii) Amendment proposal not covered as per clause (i) above shall be subject to approval of the Board of Directors of the Company.

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