

Sportking

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SPORTKING INDIA LIMITED
VIGIL MECHANISM & WHISTLE BLOWER
POLICY

(Amended version as approved by the Audit Committee and Board of Directors of the Company on 26th October 2024)



VIGIL MECHANISM & WHISTLE BLOWER POLICY

Preface:

The Company believes in conducting its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. As such the Company endeavours to work against corruption in all its forms including demand and acceptance of illegal gratification and abuse of official position with a view to obtain pecuniary advantage for self or any other person. Any actual or potential violation of the Company's rules, regulations and policy governing the conduct of business is a matter of serious concern for the Company. The Company is therefore committed to developing a culture where it is safe for employees to raise concerns about instances if any, where such rules, regulations and policy are not being followed or any fraud has been committed or business has been conducted in an unethical manner.

In terms of the provisions of Section 177 of the Companies Act, 2013 every listed Company is required to have a vigil mechanism. Further, Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") makes it a mandatory requirement for all listed companies to establish a mechanism for directors and employees to report genuine concerns of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The mechanism is required to provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

Accordingly, this Vigil Mechanism/ Whistle blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy

Objective

The objective of the Policy is to build and strengthen a culture of transparency and trust in the organization and to provide employees with a framework / procedure for responsible and secure reporting of improper



activities (whistle blowing) within the company and to protect employees wishing to raise a concern about improper activity / serious irregularities within the Company.

Definitions

- **“Alleged wrongful conduct”** shall mean violation of law, infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **“Board”** means the Board of Directors of the Company.
- **“Company”** means Sportking India Limited, its manufacturing units, and administrative offices.
- **“Code”** means Code of Conduct for Directors and Senior Management adopted by Company.
- **“Competent Authority”** means Audit Committee, which shall oversee the Whistle Blower Policy/Vigil Mechanism and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.
- **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- **“Employee”** means all the present employees and whole time Directors of the Company.
- **“Good Faith”** means an employee shall be deemed to be communicating in ‘good faith’ if there is a reasonable basis for communication of the alleged wrongful conduct. Good faith shall be deemed lacking when the employee does not have personal knowledge of or a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the alleged wrongful conduct is malicious, false or frivolous.
- **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Chairman of the Audit Committee and includes the internal auditors of the Company.

- **“Managerial Personnel”** Managerial personnel shall include Director(s), Managing Director, Department/ Function Head(s), Supervisor or other employee who has authority to make or materially influence significant personnel decisions.
- **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may be treated as evidence of unethical or “Improper activity”.
- **“Policy or This Policy” means,** “Vigil Mechanism/ Whistle blower Policy.”
- **“Subjects”** means an employee – officer/staff against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of investigation.
- **“Unethical Behaviour and/or Improper Practices”**
Unethical behavior & improper practices shall mean:
 - a) An act which does not conform to approved standards of social and professional behaviour;
 - b) An act which leads to unethical business practices or unethical conduct;
 - c) Breach of etiquette or morally offensive behaviour, etc.
- **“Whistle Blower”** means an Employee making a protected Disclosure under this policy.

Interpretation

Words and expressions used and not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 or rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other Guidelines/ Regulation(s) promulgated by SEBI/ other statutory authorities and any amended(s) thereto from time to time.

Coverage:

All Directors/ employees of the Company are covered under this policy. The policy covers malpractices and events which have taken place/ suspected to have taken place in the Company involving:

- Corruption
- Frauds
- Misuse/ abuse of official position
- Breach of IT Security/ Manipulation of data/documents
- Breach of any law, statute or regulation



- Any act which includes unethical conduct which affects the interest of the Company adversely and has potential to cause financial or reputational loss to the Company

The Guiding Principles

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

- Ensure that the Whistle Blower and/or the person processing the Protected Disclosure are not victimized for doing so;
- Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- Ensure complete confidentiality.
- Not attempt to conceal evidence of the Protected Disclosure;
- Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- Provide an opportunity of being heard to the persons involved especially to the Subject.

Role of Whistle Blower

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.

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 or required by the Chairman of Audit Committee or by the Investigators.

Protected Disclosures or Complaints will be appropriately dealt with by the Vice President (HR) and/or by Chairman of the Audit Committee.

Disqualifications for making Protected Disclosures and False Complaints

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. Further 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.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted as per existing policy of the Company.

Reporting Mechanism/ Complainant (Whistle Blower):

- The Protected Disclosure / Complaint should be attached to a letter bearing the identity of the whistle blower / complainant i.e. his/her Name, Employee Number and Location, and should be in a closed / secured / sealed envelope addressed to the Competent Authority which should be superscribed "Protected Disclosure". (If the envelope is not superscribed and closed / sealed / secured, it will not be possible to provide protection to the whistle blower as specified under this policy).
- 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 Audit Committee or Company Secretary at **"Sportking India Limited- Village kanech, Near Sahnewal, GT Road, Ludhiana-141120."**
- Anonymous or pseudonymous protected disclosure shall not be entertained.
- Protected Disclosure should either be typed or written in legible hand writing in English, Hindi or Regional language of the place of employment of the whistle blower and should provide a clear understanding of the Improper Activity involved or issue / concern raised. The reporting should be factual and not speculative in nature. It must contain as much relevant information as possible and should help in initial assessment and investigation.
- 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
- In the case the management finds the complaints to be motivated or vexatious, it shall be at liberty to take appropriate steps against complainant.
- All reports of fraud or suspected fraud shall be handled with utmost speed and shall be coordinated by the Competent Authority.
- 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.

Investigation

- Investigations will be launched only after a preliminary review by the Competent Authority which establishes that;
 - a. The alleged act constitutes an improper or unethical activity or conduct, and
 - b. The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information but it is felt that the concerned matter deserves investigation.
- If the Competent Authority determines that an investigation is not warranted, reason(s) for such determination shall be recorded in writing.
- The Competent Authority is prima facie satisfied that the Protected Disclosure warrants investigation of the alleged improper activity, Competent Authority will direct appropriate investigating machinery of the Company to investigate the matter.
- The decision to conduct an investigation taken by the Competent Authority is by itself not to be construed as an accusation and is to be treated as a neutral fact- finding process.
- 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.
- 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.
- 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.
- 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.
- 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.
- Subjects have a right to be informed of the outcome of the investigation.
- 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.

Role of Investigator(s):

Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority from Audit Committee / Competent Authority when acting within the course and scope of their investigation. All Investigators shall perform their role in an independent and unbiased manner. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of professional standards.

Decision

If an investigation leads the Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Chairman of 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, considering the severity of the matter. It is clarified that any disciplinary or corrective or remedial 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/policy.

Protection to Whistle Blower & to others connected

The identity of the Whistle Blower shall be kept confidential. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported 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 or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, 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. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower

Reporting

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

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 5 (five) years or such other period as specified by any other law in force, whichever is more.

Communication:

A Vigil Mechanism/ whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be appropriately informed about the same.

Annual Affirmation

The Company shall annually affirm that it has not denied any employee access to the Audit and Ethics Committee and that it has provided protection to the Whistle Blower from adverse action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the company.

Review and Amendment

The Audit Committee of the Board of Directors of the Company shall periodically review the existence and functioning of Whistle Blower Policy. The Board of Directors after considering the recommendations of Audit Committee is empowered to amend this policy in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.