

WHISTLE BLOWER POLICY

PREAMBLE

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to develop a culture which would encourage all employees to safely raise concerns about any poor or unacceptable practice and any event of misconduct.

Pursuant to Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per applicable provisions of Section 177 of the Companies Act, 2013, Every Listed Company shall establish a Whistle Blower policy / Vigil Mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud.

Such a vigil 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 Audit Committee in exceptional cases.

POLICY OBJECTIVES

The purpose of the whistle blower policy is as follows:

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 fear of punishment or unfair treatment. This policy aims to provide an avenue for employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

To encourage the employees and other parties to report unethical behaviors, malpractices, wrongful conduct, fraud, violation of the company's policies & values, violation of law by any employee of the company without any fear of retaliation.

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To cover serious concerns that could have impact on the operations and performance of the business of the Company.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

SCOPE OF POLICY

In compliance of the above statutory requirements, Smart Capital Services Limited, being a Listed Company has decided to establish a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

This policy applies to all directors and the employees of the Company (including outsourced, temporary and on contract personnel), ex-employees, stakeholders of the Company, including Vendors (hereinafter referred to as 'Whistle Blower').

This policy encourages all the Whistle Blowers to report any kind of misuse of company's properties, mismanagement or wrongful conduct prevailing/executed in the company, which the whistleblower in good faith, believes, evidences any of the following:

- i. Violation of any law or regulations, policies including but not limited to corruption, bribery, Theft, fraud, coercion and willful omission.
- ii. Rebating of Commission/benefit or conflict of interest.
- iii. Procurement frauds.
- iv. Mismanagement, Gross wastage or misappropriation of company funds/assets.
- v. Manipulation of Company data/records.
- vi. Misappropriating cash/company assets; leaking confidential or proprietary information.
- vii. Unofficial use of Company's property/human assets.

- viii. Activities violating Company policies. (Including Code of Conduct)
- ix. A substantial and specific danger to public health and safety.
- x. An abuse of authority or fraud
- xi. An act of discrimination or sexual harassment.

The above list is illustrative and should not be considered as exhaustive Vigil Mechanism or Whistle Blower Policy.

DEFINITIONS

- a) **“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 and read with regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) **“Company”** means “Smart Capital Services Limited”
- c) **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limiting 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.
- d) **“Employee”** means every employee of the Company (whether working in India or abroad).
- e) **“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 on 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.
- f) **“Policy or This Policy”** means, “Whistleblower Policy”.

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- g) **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- h) **“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 under this Policy.
- i) **“Whistleblower”** is someone i.e. a person or entity who makes a protected disclosure about improper or illegal activities is commonly referred to as a whistleblower. Whistleblowers may be employees, applicants for employment, vendors, contractors, customers or general public. The whistleblower’s role is as a reporting party. They are not, investigators or finders of fact, nor do they determine the appropriate corrective or remedial action that may be warranted
- j) **“Suspect”** means some employee/director against whom the complaint is made by the whistleblower.
- k) **“Investigators”** means person investigating the case as authorized by Ethics Counselors or Audit Committee Chairperson.
- l) **“Ethics Counselors” or “Committee”** means an officer or Committee of persons who is/are nominated/ appointed to conduct detailed investigation of the disclosure received from the whistleblower and recommend disciplinary action. The Committee, if appointed, should include Senior Level Officers of Personnel & Admin, Internal Audit and a representative of the Division/ Department where the alleged malpractice has occurred.
- m) **“Alleged Wrongful Conduct”** as defined below
- i. Fraud (as defined under section 447 of the Companies Act,2013 which would affect the interests of the concerned) against investors, securities fraud, mail or wire fraud, bank fraud, or fraudulent statements to the Securities and Exchange Board of India (the 'SEBI'), the relevant stock exchanges, any other relevant authority or members of the investing public.

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- ii. Violations of any rules and regulations applicable to the Company and related to accounting and auditing matters.
- iii. Intentional error or fraud in the preparation, review or audit of any financial statement of the Company.
- iv. Any violations to the Company's ethical business practices as specified in the Company's Code of Conduct policy.
- v. Any other event which would affect the interests of the business.

n) **"Unethical or Improper Practices"**

- i. Unethical – Unethical act is the act not conforming to approved standards of social or professional behavior which leads to "unethical business practices" or an action not adhering to ethical, moral and honorable principles.
- ii. Improper – Improper refers to unethical conduct, breach of etiquette or morally offensive behaviors.
- iii. Violation – An infraction or a breach which is not necessarily a violation of law, of Company's policies, Memorandum and Articles of Association, code of conduct designed to protect the interest of employees without jeopardizing interest and growth of Company.
- iv. Waste – Employer's conduct or omission, which results in substantial abuse, misuse, destruction, or loss of Company funds, property or manpower belonging to the Company.
- v. Vigil Mechanism/Whistle Blower – An Employee who reveals wrongdoings about any Unethical or Improper practices carried on by the Company and communicates in Good Faith to the "Ethics Counselors/Audit Committee".

- o) **"False Complaints"** While this Policy is intended to protect genuine Whistleblowers from any unfair treatment as a result of their disclosure, misuse of this protection by making frivolous and bogus complaints with malafide intentions is strictly prohibited. Personnel who makes complaints with malafide intentions and which are subsequently found to be false will be subject to strict disciplinary action.

GUIDING PRINCIPLES

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

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

Prohibition:

- a) The "POLICY" prohibits company from taking any action, which may lead to unfair termination or unfair prejudicial employment practices (i.e. threaten, demote, relocate etc.) against its employees for Whistle Blowing in Good Faith.

However, this policy does not protect an employee from an adverse action which occurs before a violation or waste report is communicated or from misconduct, poor job performance, or subjection to a reduction in workforce unrelated to a communication made pursuant to the Whistle Blower Policy.

Audit Committee's Responsibilities :

- a) Maintenance of Register of Complaints – A designated Official shall maintain a register for registration of Whistle Blower's Report. Each complaint shall bear unique number. The Ethics Counselors may ask significant evidence while registering the complaints.

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b) Determination of nature of Complaints – Ethics Counselors shall determine the nature of Complaints keeping in view to the requirement of Companies Act, 2013, and determining Vigil Mechanism or Whistle Blower Policy appropriate course of action.

Annual Affirmation on the Compliance of Policy: The Company shall annually affirm that it has not denied any personnel access to the Ethics Counselors of the Company (in respect of matters involving alleged misconduct) and that it has provided protection to “whistle blowers” from unfair termination and other unfair prejudicial employment practices.

Disclosure in Board Report: The affirmation as referred above shall form part of the Board Report that is required to be prepared and submitted together with the annual report.

Policy shall be available at the website of the Company. The “Whistle Blower Policy” as adopted by the Board and amended from time to time shall be made available at the web site of the Company.

Action Prohibited by the Whistle Blower Policy subject to exceptions:

a) The Company shall not threaten, discriminate or retaliate against an employee in any manner that affects the employee's employment (i.e. compensation, job location, rights, immunities, promotions, or privileges) when an employee engages in an activity protected by the policy.

b) This policy does not preclude a supervisor from taking appropriate action against an employee for misconduct, poor job performance, or a reduction in the workforce within the policy of the Company.

c) Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of intimation by him and for legitimate reasons or cause under Company rules and policies.

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However, this policy does not protect an employee from an adverse action from misconduct, poor job performance, or subsection to a reduction in workforce unrelated to a communication made pursuant to the Whistle Blower Policy.

d) No adverse action shall be taken against an employee who participates or gives information in an investigation, or hearing or in any form of inquiry initiated by the Audit Committee.

Course of Action Available to the Employees: An employee who alleges adverse action (whistle blower) under the Policy may approach to the Ethics Counselors for appropriate relief within 6 months, if any action is taken against the employee in violation of the policy.

a) The Employee has the burden of proof in establishing that he or she has suffered an adverse action for an activity protected under the Policy. The management of the Company shall have an affirmative defense if it can establish by a preponderance of the evidence that the adverse action taken against the employee was due to employee misconduct, poor job performance, or a reduction of workforce unrelated to a communication made pursuant to the Policy.

b) Remedies – The Ethics Counselors rendering judgment under the Policy may order any or all of the following remedies; order an injunction to restrain continued violation of the provisions of the Policy - reinstate the employee to the same position or to an equivalent position; - reinstate full fringe benefits and retirement service credit; order compensation for lost wages, benefits, and any other remuneration;

c) Appeal: The affected Employee or Director may appeal against the judgment of the Ethics Counselors to Audit Committee of the Company.

SECURITY AND CONFIDENTIALITY

The Whistle Blower, the Target, the Ethics Counselors and everyone involved in the process shall:

- a) maintain complete confidentiality/ secrecy of the matter
- b) not discuss the matter in any informal/social gatherings/ meetings
- c) discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d) not keep the papers unattended anywhere at any time
- e) keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

ANONYMOUS ALLEGATION

Whistleblowers must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Disclosures expressed anonymously will ordinarily NOT be investigated.

PROTECTION TO WHISTLEBLOWER

If one raises a concern under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. The retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing her/ his job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy.

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The protection is available provided that:

- a. The communication/disclosure is made in good faith;
- b. He/She reasonably believes that information, and any allegations contained in it, are substantially true; and
- c. He/She is not acting for personal gain anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) will be subject to disciplinary action, as will anyone who victimizes a colleague by raising a concern through this procedure. If considered appropriate or necessary, suitable legal actions may also be taken against such individuals. However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

The Company will not tolerate the harassment or victimization of anyone raising a genuine concern. As a matter of general deterrence, the Company shall publicly inform employees of the penalty imposed and discipline of any person for misconduct arising from retaliation. Any investigation into allegations of potential misconduct will not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an employee reporting a matter under this policy. Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistleblower.

ACCOUNTABILITIES – WHISTLEBLOWERS

- a) Bring to early attention of the Company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern. Delay in reporting may lead to loss of evidence and also financial loss for the Company.
- b) Avoid anonymity when raising a concern
- c) Disclosure should be related "Alleged Wrongful Conduct"
- d) "False Complaints" are not entertained.

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- e) Follow the procedures prescribed in this policy for making Disclosure
- f) Co-operate with investigating authorities, maintaining full confidentiality
- g) The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Malicious allegations by employees may attract disciplinary action
- h) A whistleblower has the right to protection from retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation
- i) Maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged Malpractice. It may forewarn the Subject and important evidence is likely to be destroyed
- j) In exceptional cases, where the whistleblower is not satisfied with the outcome of the investigation carried out by the Ethics Counsellors or the Committee, he/she can make a direct appeal to the Chairman of Audit Committee of the Company

ACCOUNTABILITIES – ETHICS COUNSELLORS

- a) Conduct the enquiry in a fair, unbiased manner
- b) Ensure complete fact-finding
- c) Maintain strict confidentiality
- d) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom
- e) Recommend an appropriate course of action - suggested disciplinary action, including dismissal, and preventive measures
- f) Minute Committee deliberations and document the final report

MANAGEMENT ACTION ON FALSE DISCLOSURES

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of intimation by him and for legitimate reasons or cause under Company rules and policies.

ACCESS TO REPORTS AND DOCUMENTS

"Disclosures" and any resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

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 8 years.

DECISION AND REPORTING

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Ethics Counselors and the corrective actions taken will be sent to the Chairman/Chairperson of Audit Committee of the Company.

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

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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.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

COMPANY POWERS

The Company is entitled to amend, suspend or rescind this policy at any time. Whilst, the Company has made best efforts to define 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 further the objective of good corporate governance.

GUIDELINES / PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

As specified by the company from time to time separately.

NOTIFICATION

All departmental heads are required to notify & communicate the existence and contents of this policy to the employees of their department. The new employees shall be informed about the policy by the Personnel department and statement in this regard should be periodically submitted to the Compliance Officer. This policy as amended from time to time shall be made available at the Web site of the Company.

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 Directors and employees unless the same is not communicated in the manner described as above.
