



Whistle Blower Policy

Section 177 of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, inter-alia, provides, a mandatory requirement, for all listed companies to establish a mechanism called “ Whistle Blower Policy” for directors, employees and other stakeholders to report genuine concerns / grievances.

In view of the above, Smart Finsec Limited (SFL), being a listed company has formulated a Whistle Blower Policy. This Policy will ensure that sufficient safeguards are provided against victimization of employees and directors, who act as whistle blowers in bringing out any unethical / improper conduct transpiring in the Company.

Applicability

This Policy shall apply to all directors, employees and other stakeholders such as external agencies, suppliers/vendors, consultants, contractual staff, borrowers, etc. of the company.

Objective

Whistle Blower Policy aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or Policy.

SFL is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its directors, employees and other stakeholders who have genuine concerns about any actual or suspected misconduct or potential violation of the Code, howsoever insignificant or perceived as such, to come forward and express these concerns without fear of punishment or unfair treatment.

The Policy provides for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

Definition

- **Audit Committee:** means the Audit Committee constituted by the Board of Directors of the Company in accordance with applicable law.
- **Board:** means Board of Directors of the Company.
- **Director:** means a Director appointed to the Board of the Company.
- **Employee:** means any employee or officer of the Company.
- **Protected Disclosure:** means a written communication made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- **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.
- **Unethical Practice:** means and includes, but not limited to, the following activities:
 1. Abuse of authority
 2. Breach of contract
 3. Negligence causing substantial and specific danger to public health and safety
 4. Manipulation of company data/ records
 5. Financial irregularities, including fraud, or suspected fraud

6. Criminal offence
 7. Mis-use of confidential information
 8. Deliberate violation of law/ regulation
 9. Wastage/ misappropriation of company funds/ assets
 10. Any other biased, favored, imprudent event/activities which has harmed or is likely to harm the interests of the Company.
- **Whistle-Blower:** means any employee or director or any stakeholder by whatever name called, who makes a Protected Disclosure under this Policy.

Reporting of Protected Disclosures

All Protected Disclosures should be reported in writing (English, Hindi or in the regional language of the place of employment) by the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised.

All Protected Disclosures should be either through email with the subject "Protected Disclosure under the Whistle Blower Policy or in a closed and sealed envelope and super scribed as "Protected Disclosure under the Whistle Blower policy. If the complaint is not super scribed and secured as mentioned above, the protected disclosure will be dealt with as a normal disclosure.

All Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company for investigation at

Chairman of the Audit Committee, Smart Finsec Limited, F-88, West District Centre, Shivaji Enclave, Rajouri Garden, Opp. TDI Mall, New Delhi – 110027.

Email: smartfinsec@gmail.com

Protected Disclosures concerning Chairman of the Audit Committee should be addressed to the Managing Director.

Managing Director, Smart Finsec Limited, F-88, West District Centre, Shivaji Enclave, Rajouri Garden, Opp. TDI Mall, New Delhi – 110027.

Email: smartfinsec@gmail.com

The Whistle Blower must disclose his/her identity / contact numbers/ address in the letter forwarding such Protected Disclosure, so that additional information, if any, can be obtained. In case identity cannot be ensured, the Protected Disclosure will be treated as Anonymous and may not attract further action. However, Audit Committee under exceptional cases may choose to investigate an anonymous disclosure.

Investigation

On receipt of protected disclosure the Chairman of Audit Committee of the Company / Managing Director shall make a record of the Protected Disclosure and also ascertain from the complainant whether he/she was the person who made the protected disclosure or not before referring the matter to the Audit Committee/ Board for further appropriate investigation and needful action. The record will include:

- Brief facts of the matter;
- Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome hereof;
- Whether the same Protected Disclosure was raised previously on the same subject;
- Findings and recommendations of the Audit Committee/ Board.

The Audit Committee / Board, as the case may be, if deems fit may call for further information or particulars from the complainant.

The Audit Committee / Board, shall make discrete enquiries to ascertain if there is any basis of proceeding further and if so appropriately and expeditiously investigate the protected disclosure received. The decision to conduct investigation is by itself not an accusation but is to be treated as neutral fact-finding process. The outcome of investigation may not support the conclusion of the Whistle Blower that an unethical or improper act was committed.

Subject will be informed of the allegations at the outset of formal investigation and have opportunities for providing their input during the investigation. The identity of the subject shall be kept confidential to the extent possible given the legitimate needs of law and the investigation.

The Audit Committee / Board will complete the investigation and deliver a written report of its findings to the Chairman of Audit Committee within 30 working days of being referred by the Chairman of Audit Committee / Managing Director. This period is extendable by such period as the Chairman of the Audit Committee / Board deems fit. . In case the allegations made in the Protected Disclosure are substantiated, appropriate action will be taken against the person concerned on whose part lapses are observed.

The decision of the Chairman of the Audit Committee / Board as the case may be, shall be final and binding on all concerned. All information disclosed during the course of investigation shall remain strictly confidential.

Protection to Whistle Blower

Whistle Blower, who in good faith, makes a disclosure in accordance with this Policy shall not suffer adverse or unfair treatment such as retaliation, threat, discrimination or adverse employment consequences. The Company shall ensure that full protection is granted to the Whistle Blower against any such unfair treatment.

A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

The identity of the Whistle Blower shall be kept confidential at all times, except to the Audit Committee or such other person specified by the Chairman of Audit Committee or Chairman of Board or during the course of any legal proceedings, where a disclosure / statement are required to be filed. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

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.

Amendment

The Board of Directors of the Company may amend the Policy from time to time depending upon the Regulatory requirements.