

# Be A Whistle Blower



## SMC CREDITS LIMITED

### WHISTLE BLOWER POLICY

If you suspect any inappropriate activity such as loss to company's property, corruption, fraud or violation of Company's Code of Conduct, we request you to inform your suspicions or concerns by promptly informing us at the following address:

**e-mail:** SMCCORP011@GMAIL.COM

or

**Letter:** The Vigilance Officer  
24, Ashoka Chambers, 5-B,  
Rajindra Park, Pusa Road, New  
Delhi-110060

**Note: Identity of the Whistle Blower would be kept confidential**

**Be a well wisher of SMC Credits Limited**

## **SMC Credits LIMITED**

### **WHISTLE BLOWER POLICY**

#### **1. Preface:**

As a part of effective Corporate Governance, Whistle Blower Policy has been mooted in terms of which SMC Credits Limited has established a vigil mechanism for staff members and Directors of the Company to report, in good faith, to the Audit Committee, concerns about the unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.

The Company is committed to develop a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

The Clause 49 of the Listing Agreement with the Stock Exchanges inter-alia, provides for all listed Companies to establish a mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy.

The policy provides adequate safeguards against victimization of the employees and Directors who avail of the vigil mechanism also provide for direct access to the Chairman of the Audit Committee.

The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

## 2. Objective:

- i. **Compliance with Rules and Regulations:** Our Organization has responsibility to all its stakeholders to conduct its affairs in compliance with the laws and regulations to which it is subject. Following ethical practices besides compliance with the laws and regulations, instills confidence in its employees, customers and others who conduct business with us.
- ii. **Promoting Honesty & Integrity:** In our Organization, we do the business with integrity of our products, services and personal character. We don't seek business by trying to corrupt the judgment of our customers. We act with honesty, fairness, respect & safety furthering a culture of unquestioned integrity, which in turn strengthens relationship across businesses and functions.
- iii. **Promoting Culture of openness:** Whistle-Blower policy is a vigil mechanism, which will encourage employees and directors disclosing fraud or corruption to the Audit Committee thereby encouraging a culture of openness within the organization.

### **3. Applicability:**

This policy is applicable for all the employees and Directors of the Company including expatriates in India and abroad.

### **4. Scope of the Policy:**

The policy covers malpractices and events, which have taken place/suspected to take place involving:-

- i. Abuse of Authority
- ii. Breach of Contract
- iii. Negligence causing substantial and specific danger to public health and safety
- iv. Manipulation of Company data/records
- v. Financial irregularities, including fraud, or suspected fraud
- vi. Criminal offence
- vii. Pilferage of confidential / propriety information
- viii. Deliberate violation of laws /regulations
- ix. Wastage/misappropriation of company funds/assets
- x. Breach of employee Code of Conduct or Rules
- xi. Any other unethical, biased, favoured, imprudent events

### **5. Responsibility:**

The Vigilance Department of the Company will be responsible for the purpose of receiving all complaints under this policy and ensuring appropriate action.

## 6. Whistle Blower:

An employee or a Director making a disclosure, about an improper practice, under this policy is referred to as a whistle blower.

The whistle blower's role is that of a reporting party. He/She is not an investigator or fact finder, nor does he/she determine the appropriate corrective or remedial action that may be warranted.

## 7. Process Guidelines:-

### **Mode of Reporting**

- Employees/Directors can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same in the format as per **Annexure -1** attached.
- Protected disclosure can be made by letter/ e-mail, telephonically or in person. However, all reports are encouraged to be made in writing/email, so as to ensure clear understanding of the issues raised. Oral or telephonic conversation should be followed by e-mail or by a letter.
- Concerns can be e-mailed to:  
Smccorp011@gmail.com  
Or
- Can be addressed to the Ombudsperson by a letter to the below mentioned Address:

Mr. Prasaresh Arya  
24, Ashoka Chambers, 5-B,  
Rajindra Park, Pusa Road, New Delhi-110060

- Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.
- If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigated/ pursued under this Policy, it may be dismissed at this stage and the decision is documented.
- Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Whistle Officer nominated by the Ombudsperson for this purpose. The investigation would be conducted in a fair manner, as a neutral fact finding process and without presumption of guilt. A written report of the findings would be made.
- The letter of disclosure will not form part of the evidence to be adduced in a Domestic inquiry, to be initiated against the staff members in a departmental inquiry.
- Name of the Whistle Blower shall not be disclosed to the Investigation Committee.

## **8. Actions to be taken by the Investigation Committee:**

The Investigating Officer shall have the right to access all the information and records, maintained both in the hard and soft copies, inclusive of the Desktops, Laptops, etc.

The Committee shall make a detailed written record of the Protected Disclosure. The record will include the following:

- Facts of the matter;
- Whether the same protected disclosure was raised previously by anyone, and if so, the outcome thereof;
- Whether any protected disclosure was raised previously against the same investigation subject. The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
- Findings of the Committee;
- The recommendations of the Committee on disciplinary/other action(s).
- The Committee shall finalize and submit the report to the Audit Committee within 15 days of being nominated/appointed.

- On submission of report, the Committee shall discuss the matter with the Audit Committee which shall:-

- In case the Protected Disclosure is proved, accept the findings of the Committee and recommend to Chairman of the Audit Committee such disciplinary action as it may think fit and take preventive measures to avoid re-occurrence of the matter;

- In case the Protected Disclosure is not proved, extinguish the matter;

or

- Depending upon the seriousness of the matter, the Investigation committee may refer the matter to the Audit Committee with proposed disciplinary action/counter measures. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Chairman of the Audit Committee with its recommendations. The Chairman may decide the matter as it deems fit.

## **9. Protection & Rights and Responsibilities of Whistle Blower:**

- No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a 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.
- The motive of the whistle blower is not relevant for consideration of the validity of the disclosure. Rather the disclosure is relevant. However, the intentional filing of a false report by the whistle blower is considered an irregular practice and the Audit Committee has a right to take appropriate disciplinary action.
- The identity of the Whistle Blower shall be kept confidential. However, whistle blower needs to be cautioned that his identify may become

known for reasons beyond the control of the designated Authority or the Investigators.

- Any other employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the whistle blower.
- A whistle blower shall not ventilate to outsiders the disclosure made under the Policy.

#### **10. Prevention of misuse of Policy:**

- The protected disclosure made by the Whistle Blower must be genuine with adequate supporting proof. The information provided by the whistle blower should be on the basis of a direct first-hand experience of the whistle blower. It should not be based on any secondary source such as grapevine or any other form of informal communication.
- It is advised that matters related to interpersonal issues, service conditions, organizational policies etc. should not be reported under this policy as they are covered under the existing organization channels. The Whistle Blower Policy should be used for grave and serious violations of the Company's Code of Conduct.
- Any employee of the Company who has earlier made any protected disclosure, which have been subsequently found to be mala fide or

malicious, will be disqualified from reporting further protected disclosures under this Policy.

#### **11. Legitimate Employment Action:**

This Policy shall not be used as defense by a staff member / Director, against whom an adverse personal action has been initiated for legitimate reasons or cause, under the Company's Rules and Regulations. It shall not be a violation of this Policy to take adverse personal action against an employee / Director whose conduct or performance warrants action independent of his / her role as a whistle blower.

#### **12. Secrecy / Confidentiality**

The Whistle Blower, the Whistle Officer and every one involved in the process shall:

- i. maintain complete confidentiality / secrecy of the matter.
- ii. not discuss the matter in any informal / social gathering / meetings.
- iii. discuss only to the extent or with the persons required for the purpose of completing the process and investigations.
- iv. not keep the paper unattended anywhere at any time.

v. keep the electronic mails / files under password.

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

**13. Reporting:**

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

**14. Review of the Policy:**

The Policy shall be reviewed based on further regulatory guidelines and operational experience. The Management has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

**Annexure - 1**

Disclosure of actual or suspected fraud / malpractice or violation of the Company's Code of Conduct:

|   |                                                              |  |
|---|--------------------------------------------------------------|--|
| 1 | Name of the employee(s) / Director(s) indulging in violation |  |
| 2 | His/ her/ their Designation                                  |  |
| 3 | Name of the office he/she is /they are working               |  |
| 4 | Details of violation                                         |  |
| 5 | If the disclosure is made earlier, date of such disclosure   |  |
| 6 | Name of the whistle blower                                   |  |
| 7 | Designation                                                  |  |
| 8 | Signature                                                    |  |
| 9 | Date                                                         |  |

**PROCESS FLOW CHART OF WHISTLE BLOWER POLICY**

Complaints-by  
Whistle Blowers

