

## **VIGIL MECHANISM POLICY**

*Originally adopted by the Board of Directors on February 6, 2012;*

*Amended by the Board of Directors on August 21, 2020*

*Amended by the Board of Directors on June 7, 2021*

*Amended by the Board of Directors on 11<sup>th</sup> May, 2025*

***SMC Global Securities Limited aspires to the highest standards of ethical conduct: doing what we say; reporting results with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern the Company's businesses.***

### **THE PURPOSE OF THIS POLICY**

As per Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Obligations and Disclosure Requirements, Regulation 2015, every listed company and such class or classes of companies, as may be prescribed by the Ministry needs to formulate a Vigil Mechanism Policy for their directors, stakeholders and employees and their representative bodies as to report their genuine concerns in such manner as may be prescribed.

The Policy entails and empower the employees and stakeholders of the Company to blow the whistle in order to voice their concerns or grievances on various matters pertaining to any malpractice, actual/suspected fraud, violation of Company's Code of Conduct for Directors and Senior Management Executives ("the Code"), instances of any leak of unpublished price sensitive information or damage to organization etc. without any fear of retaliation.

This policy seeks to define and establish the position of SMC Global Securities Limited ('Company') and its subsidiaries ('hereinafter referred to as the 'Company') on the framework for reporting instances of unethical/fraudulent conduct and taking suitable steps to investigate and correct the same. Accordingly, this policy lays down the following provisions:

- Setting up relevant authority and its powers to review protected disclosures and direct corrective action relating to such disclosures.
- Procedure to disclose any suspected unethical and/or fraudulent practice taking place in the Company;
- Maintaining the confidentiality to the person who makes disclosure towards such unethical and/or fraudulent practice in the Company.
- Mechanism for acting and reporting on such disclosures to the relevant authority within the Company.

## DUTY TO REPORT

The employees of the Company and stakeholders are required to report any suspected violation of law that applies to the Company or any suspected violation to Company's Code of Conduct. It is important and responsible for an individual to suspected violations which includes accounting or financial reporting violations, insider trading, leak of unpublished price sensitive information, bribery, or violations of the anti-retaliation aspects of this Policy. Reporting is crucial for early detection, proper investigation and remediation, and deterrence of violations of Company policies or applicable laws. You should not fear any negative consequences for reporting reasonably suspected violations because retaliation for reporting suspected violations is strictly prohibited by virtue of this policy.

## DEFINITIONS

In this Policy, unless the context requires otherwise:

- a. **"Audit Committee"** shall mean the Audit Committee constituted by the Board of Directors of the Company under section 177 of the Companies Act, 2013 and Listing Regulations.
- b. **"Director"** shall mean all directors of the Company.
- c. **"Employee"** means any employee of the Company. The same shall also include Key Managerial Personnel and Senior Managerial Personnel as defined under relevant provisions of Companies Act, 2013 and Listing Regulations including any amendment or modification thereof.
- d. **"Protected Disclosure"** means a concern raised by Director(s) or an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an Unethical practice under the scope of the Policy with respect to the Company.
- e. **"Unethical practice"** means and includes, but not limited to, the following suspected activities/ fraudulent practices being followed in the Company:
  - a) Manipulation of Company data / records;
  - b) Abuse of authority at any defined level in the Company;
  - c) Disclosure of confidential / proprietary information to unauthorized personnel;
  - d) Health and safety violations including issues related to sexual harassment, child labor, discrimination, etc.
  - e) Breach or infringement of human rights including the rights to privacy and freedom of expression,
  - f) Environmental issues, wastage / misappropriation of company funds
  - g) Any instances of misappropriation of Company assets;

- h) Actual or suspected leak of UPSI
  - i) Breach of fiduciary obligation
  - j) Financial irregularities, including fraud or suspected fraud
  - k) Any criminal offence including offences involving moral turpitude
  - l) Pilferation of confidential/propriety information.
  - m) Serious or widespread breach of Employee Code of Conduct or Rules
  - n) Wastage/misappropriation of company funds/assets
  - o) Activity violating any provision laid down Company's policies, including the Codes;
  - p) Any other activities whether unethical or fraudulent in nature and injurious to the interests of the Company.
- f. **"Whistle Blower"** means any Employees or Directors or group of employees and their representative bodies or stakeholders who makes a Protected Disclosure under this policy.
- g. **"Unpublished Price Sensitive Information"** or **"UPSI"** shall derive its meaning as provided under the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of 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:

1. Ensure that the whistle blower processing the protected disclosure is not victimized for doing so.
2. Treat victimization as a serious matter including initiating disciplinary action on such person/(s).
3. Ensure complete confidentiality.
4. Ensure that protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.
5. Ensure that investigation is conducted honestly, neutrally and in an unbiased manner.
6. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made / to be made.
7. Ensure to provide an opportunity of being heard to the persons involved especially to the unethical practice.

### **DISCLOSURE**

Any stakeholder who becomes aware of any unethical practice or suspected violation of any law is encouraged to report his/her concerns to the below mentioned officials crucial for early detection, proper investigation and remediation, and deterrence of violations of Company policies or applicable laws.

The scope of policy also covers raising of any incident involving leak or suspected leak of

unpublished price sensitive information or unethical use of UPSI in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 including any amendment thereof.

The reporting of concerns can be addressed to following:

### **1. The Company Secretary and Compliance Officer**

Mr. Suman Kumar E.V.P. (Corporate Affairs), Company Secretary & Compliance Officer  
SMC Global Securities Limited  
11/6B, Shanti Chamber, Pusa Road, New Delhi-110005  
Email id: [whistleblower@smcindiaonline.com](mailto:whistleblower@smcindiaonline.com)  
Contact No. 011-30111333, Ext -7728/7729

In exceptional cases and where the disclosure pertains to the Compliance Officer of the Company, the report must be forwarded to:

### **2. Chairman of Audit Committee**

Mr. Dinesh Kumar Sarraf  
Independent Director & Chairman of Audit Committee  
SMC Global Securities Limited  
11/6B, Shanti Chamber, Pusa Road, New Delhi-110005  
Email id: [sarraf441@gmail.com](mailto:sarraf441@gmail.com)

Your report should include as much information about the suspected violation as you can provide. Where possible, it should describe the nature of the suspected violation, the identities of persons involved in the suspected violation, a description of documents that relate to the suspected violation, and the time frame during which the suspected violation occurred. In some circumstances, you may be contacted for further information.

### **INVESTIGATION**

The Investigation shall be initiated by the Compliance Officer who may appoint any person/group of persons from and within the organisation to conduct the investigation proceedings on his behalf. The Investigator upon receipt of the disclosure shall investigate the genuineness and veracity of the complaint. The preliminary investigation shall involve qualification of following:

1. Whether the alleged act constitutes an unethical practice as per this Policy, and
2. Whether the disclosure is supported by information specific enough to be investigated or whether the allegation is not supported by specific information.

The Investigator shall investigate the complaint very diligently and also provide every reasonable opportunity to the whistle blower and the person against whom the complaint is made to put forward and defend their respective cases. Basis the preliminary

investigation, if the Investigator assumes that any corrective/disciplinary action can be issued to resolve the concern, the same shall be issued within 60 days of conclusion of the preliminary investigation. The details of investigation and relevant documents shall be retained and submitted to the Audit Committee by the Investigator for initiating of any disciplinary action against the accused. The disciplinary action may include issuing of warning letter, withholding of promotion/increments/ termination/ reprimand/ initiating legal suit/ monetary compensation/ any other action as may be deemed fit.

In circumstances where the investigator views that the concern/complaint requires further investigation or evaluation considering the seriousness of the offence, the investigator shall forward its investigation report to the Chairman of the Audit Committee in exceptional cases. In such cases, the Audit Committee shall conclude the investigation and issue necessary disciplinary action.

The report of the Vigil Mechanism Committee shall include following:

- a) The facts mentioned in the protected disclosure issued by the whistle blower.
- b) Basis of evaluation adopted in the preliminary investigation by the investigator
- c) Any evidence, record or similar documents extracted during the investigation.
- d) Corrective action issued by the investigator.
- e) Any other recommendation or information to be provided.

In other cases, the investigator shall annually provide a report to the Audit Committee stating the number of complaints received during the year and the resolution provided by the Company.

The Company also provides an opportunity to the whistle blower to contact the Chairman of Audit Committee in case where he/she is not satisfied with the proceedings or findings of the investigation conducted by the Investigator.

### **LEAK OF UPSI**

In case where the protected disclosure pertains to leak of UPSI the reporting officials shall intimate the disclosure to the Compliance Officer of the Company designated as per SEBI (Prohibition of Insider Trading) Regulations, 2015. Upon receipt of complaint relating to such leakage/suspected leakage of UPSI, the same would be investigated in accordance with the Company's policy on Leak of UPSI as framed under the Insider Trading Regulations.

### **CONFIDENTIALITY**

Disclosures may be submitted on a confidential basis by the whistle blowers or may be submitted anonymously. Disclosures will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

In the own interest of the whistle blower and also in the interest of the investigation that

may be made, the whistle blower should refrain and maintain complete non-disclosure of himself/herself and the facts of the case including the name(s) of the persons against whom the disclosure is issued.

### **NO VICTIMIZATION**

The reporting officials shall ensure that the person giving out the protected disclosure shall not be subjected to any unfair treatment by the management. The Company, as a rule, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against the whistle blowers.

However, this does not take away the power of the Company to take any a disciplinary action against the whistle blowers which occurs on account of poor job performance or misconduct, if any conducted by the Whistle Blower.

### **FALSE COMPLAINTS**

Any misuse of protection provided in this policy by way of making frivolous complaints with malafide intentions are strictly prohibited. Any person who is found to be making false complaints under the Policy shall be subject to strict disciplinary actions.

In case of repeated frivolous complaints being filed by a stakeholder the Audit Committee may take suitable action against the concerned stakeholder including reprimand or termination in case of director or employee.

### **DOCUMENT RETENTION**

All documents related to reporting, investigation and enforcement pursuant to this Policy shall be kept in accordance with the Company's record retention policy and as per the applicable law. Confidentiality of such records shall be ensured to the extent reasonable.

### **REPORTING**

The functioning of whistle blower mechanism of the Company shall be quarterly reviewed by the Audit Committee. The reporting shall also include the status of investigations initiated and pending before the Investigator or the Audit Committee.

### **REVIEW OF VIGIL MECHANISM**

The Audit Committee shall be responsible for the administration, interpretation, application and review of this policy. The Audit Committee also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Board of Directors of the Company.