



SMARTEN POWER SYSTEMS LIMITED

POLICY ON WHISTLE BLOWER POLICY & VIGIL MECHANISM

(Adopted by Board of Directors in its meeting held on 12/12/2024. Effective from 12/12/2024.)

SMARTEN POWER SYSTEMS LIMITED

CIN: U31401HR2014PLC052897

Registered Office:

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Gurgaon, Haryana, India, 122001



INTRODUCTION AND SCOPE

Smarten Power Systems Limited (the “Company” or “Smarten”) 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 behavior.

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

- Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 4(2)(d)(iv) of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, the Company formulated /revised an effective whistle blower mechanism called “Whistle Blower Policy” for enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices, actual or suspected, fraud or violation of the Company’s code of conduct or ethics policy to the Management. The Companies Act, 2013 also provide to establish a Vigil mechanism.
- The purpose of the Whistle blower Policy is to enable a person who observes an unethical practice (whether or not a violation of law), to approach the Ethics Officer without necessarily informing their supervisors and without revealing their identity, if they choose to do so and to create awareness amongst employees to report instances of leak of unpublished pricesensitive information.
- This policy also governs reporting and investigation of allegations of suspected improper activities. Colleagues and others are encouraged to use guidance provided by this policy for reporting all allegations of suspected improper activities.

DEFINITION OF TERMS

- “**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 SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015.



- **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Ethics Officer/Chairman of the Audit Committee and include the auditors of the Company and the police.
- **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- **“Whistle Blower”** means a Colleague making a Protected Disclosure of any unethical activity that they have observed.
- **“Ethical Behaviour”** Being in accordance with the accepted principles of right and wrong

that govern the conduct of a profession including but not restricted to financial impropriety and accounting malpractices.

- **“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.
- **“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 colleague does not have personal knowledge of a factual basis for the communication or where the colleague knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- **“Unethical and Improper Practices”** shall mean –
 - An act which does not conform to approved standard of social and professional behaviour;
 - An act which leads to unethical business practices;
 - Improper or unethical conduct;
 - Breach of etiquette or morally offensive behaviour etc.

POLICY GUIDELINES

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 is 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.

APPLICABILITY



All full time colleagues of the company are eligible to make Protected Disclosures under the Policy.

COVERAGE OF POLICY

The Policy covers malpractices and events which have taken place/ suspected to take place. Some examples would be:

- a) Unauthorized Access
- b) Sexual advances
- c) Inducement
- d) Bribe
- e) Breach of trust and contract
- f) Negligence causing substantial and specific danger to public health and safety
- g) Manipulation of company data/records
- h) Financial irregularities, including fraud, or suspected fraud
- i) Criminal offence
- j) Theft of confidential/propriety information
- k) Deliberate violation of law/regulation
- l) Wastage/misappropriation of company funds/assets
- m) Awareness amongst employees to report instances of leak of unpublished price sensitive information
- n) Any other unethical, biased, favoured, imprudent event he/she becomes aware of that could affect the business or reputation the Company.

DISQUALIFICATIONS

- ▮ 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.
- ▮ 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 or malicious or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

PROCESS FLOW OF REPORTING

- ▮ Colleagues can make Protected Disclosure to Ethics officer, as soon as possible but not later than 30 working days after becoming aware of the same, through email on rahul@smartenpowersystems.com certain circumstances the Ethics Officer may accept the disclosure even after 30 days.
- ▮ Every disclosure should contain full particulars and be accompanied by supporting documents, or other material, if any.
- ▮ Ethics Officer may, if it deems fit, call for further information or particulars from the person making the disclosure.
- ▮ Whistle Blower must put his/her name to allegations. Concerns expressed anonymously will not be investigated.
- ▮ A report can also be made to the Ethics Officer (in case there is no potential conflict of interest) which should be forwarded to Audit Committee.
- ▮ If a protected disclosure is received by any executive of the Company other than the Ethics Officer or Chairman of Audit Committee, the same should be forwarded to the Ethics Officer for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower confidential.
- ▮ 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.
- ▮ For the purpose of providing protection to the Whistle Blower, the Ethics Officer should not disclose his/her identity in the covering letter forwarding such Protected Disclosure.

PROCESS OF INVESTIGATION

- ▯ All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Officer of the Company and Chairman of Audit Committee will oversee the investigations.
- ▯ the Ethics Officer will determine whether the concern or complaint actually pertains to a compliance or ethical violation within 30 business days of receipt of the complaint.
 - ▯ If the Ethics Officer decides that the complaint is not valid, wherever possible, he will communicate the rationale for the decision to the complainant.
 - ▯ If the Ethics Officer determines that the complaint is a valid compliance violation, the Investigators will investigate the alleged violation.
- ▯ 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.
- ▯ The Ethics Officer will take all reasonable efforts to ensure that the investigation process is completed within 30 working days from the day of the receipt of complaint. If not, it shall justify the need for extension to the Audit Committee.
- ▯ A written report of the findings would be made.
- ▯ On submission of report, the Ethics Officer shall discuss the matter with Chairman of Audit Committee.
 - ▯ In case the Protected Disclosure is proved, accept the findings of the Ethics Officer and take such Disciplinary Action as the Chairman of Audit Committee may think fit and take preventive measures to avoid reoccurrence of the matter. Consequence of frivolous complaints and malicious intent shall invite punitive action from the Audit Committee
 - In case the Protected Disclosure is not proved, extinguish the matter;

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he/she can make a direct appeal to the Chairman of the Audit Committee.

PROTECTION TO 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 Blowers.
- ▮ Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, 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.

- ▮ 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 to the extent possible and permitted under law.
- ▮ Any other Colleague assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- ▮ Under certain circumstances the complainant may have access to the Chairman of Audit Committee

ROLE OF INVESTIGATORS

- ▮ Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- ▮ Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour, and observance of legal and professional standards.
- ▮ Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee, which establishes that:
 - ▮ The alleged act constitutes an improper or unethical activity or conduct, and
 - ▮ The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

CONFIDENTIALITY

All parties involved in the process shall:

- Maintain complete confidentiality/ secrecy of the matter
- Not discuss the matter in any informal/social gatherings/ meetings
- Discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- Not keep the papers unattended anywhere at any time
- 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.

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.

ANNUAL AFFIRMATION

- The Company shall annually affirm that it has not denied any personnel access to the Chairman of Audit Committee and that it has provided protection to whistle blower from adverse personnel action.
- The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.
- The Company Secretary and the Ethics Officer shall present a status report to the Audit Committee every quarter on the number of incidents reported, investigated and disposed off.