

# SMS LIFESCIENCES INDIA LIMITED

[Whistle Blower/ Vigil Mechanism Policy]

## INTRODUCTION

The policy on the code of conduct and business ethics framed by SMS Lifesciences India Limited (the “Company”) requires all its employees to observe the highest degree of professional ethics in the conduct of their duties and responsibilities. Moreover, Section 177(9) of the Companies Act, 2013, as amended and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended require listed companies to frame a vigil mechanism/ whistle-blower policy for directors and employees to report genuine concerns.

Accordingly, the Company has framed this policy (“Policy”) and the same shall be available at the website of the Company at <https://www.smslife.in/policies.php>

## OBJECTIVES

The purpose of this Policy is to further the commitment of the Company to the highest possible standards of ethical, moral and legal business conduct.

The main objectives of this Policy are:

- ✦ To provide a vigil mechanism to raise concerns of Unethical Practices in good faith and a fair framework consistent with the statutory environment for reporting and inquiry;
- ✦ To provide necessary safeguards for the protection of the Company’s Stakeholders from reprisals or victimization, for whistle-blowing.

## APPLICABILITY

This Policy is an integral part of the Company’s governance and internal control framework and Code of Conduct and the policy shall apply to:

- ✦ All the employees of the Company and its subsidiary,
- ✦ All the Directors on the Board of Directors of the Company and its subsidiary.

All of the above are individually and collectively referred to as a “Stakeholder(s)” of the Company.

## DEFINITIONS

In this Policy, the following terms and phrases shall have the following meanings:

- ✚ **“Audit Committee”** means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 which has the responsibility for supervising the development and implementation of this Policy.
- ✚ **“Code of Conduct”** means the Company's Code of Conduct, as amended from time to time.
- ✚ **“The Company”** means SMS Lifesciences India Limited
- ✚ **“Ombudsman”** refers to the ombudsman appointed by the aforesaid Audit Committee and shall be regularly updated in <https://www.smslife.in/contact-us.php> .
- ✚ **“External Investigators”** mean those persons not being employees of the Company, authorized, appointed, consulted or approached by the Ombudsman after taking the approval of the Audit Committee to conduct an investigation.
- ✚ **“Unethical Practices”** include and shall not be limited to:
  - ✓ A failure to comply with the Company's Code of Conduct;
  - ✓ A failure to comply with a legal obligation;
  - ✓ Dubious accounting practices or financial impropriety by staff;
  - ✓ An act or an omission in the nature of criminal activity;
  - ✓ A serious breach of a law or governmental directive / regulation;
  - ✓ Any activity which has the potential to significantly damage the reputation of the Company;
  - ✓ An act that could or does cause harm to a customer of the Company;
  - ✓ Breaches relating to the accuracy or integrity of the Company's financial statements;
  - ✓ Acts which harm or could harm the health and safety of the Company's staff;
  - ✓ An act that has or which could cause damage to the environment;
  - ✓ An act or an omission that constitutes a threat or breach of a professional Code of Conduct;
  - ✓ A serious breach of internal policy; actions which are intended to conceal any of the above.
- ✚ **“Internal Investigators”** mean those employees of the Company, who are authorized, appointed, consulted or approached by the Audit Committee/Ombudsman to conduct an investigation.

- ✚ **“Investigation Report”** means the report in which facts of the case, relevant evidence and details of the investigation conducted and final conclusion are documented.
- ✚ **“Investigation Subject”** means an employee and/or director and/or affiliates against or in relation to whom the Protected Disclosure has been made or evidence gathered during the course of an investigation.
- ✚ **“Investigator”** means External or Internal Investigator, as the case may be.
- ✚ **“Motivated Complaint”** means a complaint who is found to be deliberately made false or motivated by revenge / enmity / mischief or considerations extraneous and outside the scope of Unethical Practices.
- ✚ **“Protected disclosure”** means any communication made in good faith that discloses or demonstrates information that may be treated as evidence of any Unethical Practices.
- ✚ **“Whistle Blower”** means the Stakeholders making a Protected Disclosure under the Policy.

## PROCEDURE

- ✚ Where any Whistle Blower believes that any Stakeholder has indulged in Unethical Practices then he / she may alert the Ombudsman of the potential issues in order to uphold the corporate environment and protect the Company's reputation.  
(All the Stakeholders have an obligation to raise such concerns as soon as possible.)
- ✚ All the complaints/concerns shall be addressed to the Ombudsman and should be submitted under a covering letter signed by the Whistle Blower in a closed and secured envelope and should be super scribed as “Protected disclosure under the Whistle Blower policy” or sent through email with the subject “Protected disclosure under the Whistle Blower policy”.

### OMBUDSMAN DETAILS:

<b>Name</b>	Mr. Sarath Kumar Pakalapati	Mr. Nadella Rajendra Prasad
<b>Designation</b>	Chairman of Audit Committee	Chief Financial Officer
<b>Email</b>	<a href="mailto:sarat9@gmail.com">sarat9@gmail.com</a>	<a href="mailto:rajendra@smslife.in">rajendra@smslife.in</a>
<b>Contact No.</b>	9848017717	8374455501
<b>Address</b>	A- 19, Journalist Colony, Road No 70, Jubilee Hills Hyderabad - 500033, Telangana	H.No.8-519, Indra Reddy, Alwyn Colony, Miyapur, Hyderabad 500049, Telangana

In case of a complaint / concern against the Ombudsman, the same shall be addressed to the Audit Committee of the Company.

- ✚ The aforesaid protected disclosure shall be supported by critical information, documents and evidence, as required in **Annexure-1** with supporting documents. If there is a doubt about whether a particular situation amounts to Unethical Practices, the Whistle Blower is encouraged to consult any of the member of the Ombudsman, prior to making the Protected Disclosure.

The Whistle Blower may also choose to raise the concern anonymously.

- ✚ The Ombudsman will be responsible for making a record of the details of the concern and appropriate action including disciplinary action will be taken in case of attempts to conceal, misinform or destroy evidence of the Protected Disclosure.
- ✚ If the protected disclosure is received by any executive of the Company other than as mentioned above, then the same should be forwarded to the Ombudsman for further appropriate action. Appropriate care must be taken to keep the identity of the Whistleblower confidential.
- ✚ If prima facie it is found that there is material to the Protected Disclosure, the protected disclosure will be thoroughly investigated by the Investigator.
- ✚ The Ombudsman shall have right to call for any information/ document and examination of any employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under the Policy. All such information/documents shall be admissible as evidence and shall not be tampered with.

The identity of the Investigation Subject as well as process shall also be kept confidential.

- ✚ The Investigation Subject will be informed of the allegations at the appropriate stage and will be provided opportunities for a personal hearing along with an opportunity to respond to material findings contained in an Investigation Report. The Investigation Subject shall be free to engage a counsel at its own cost to represent him/her in the investigation proceedings.
- ✚ Ombudsman / Audit Committee may hire any External Investigators, if required, for investigations.

- ✚ The Whistle Blower is not required or expected to act as Investigator and do not have a right to participate in any investigative activities other than if requested by the Audit Committee or Ombudsman. However, the Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal reasons.
- ✚ The investigation shall be completed within 60 (sixty) days of the receipt of the Protected Disclosure. However, the mentioned timeline may exceed based on the nature and complexity of the allegations. The reasons for the extension shall be documented by the Ombudsman and submitted to the Audit Committee before the expiry of the 60 (sixty) days' timeframe.
- ✚ Annual review of the functioning of the whistleblower mechanism of the Company pursuant to Regulation 18(3) read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be conducted by the Audit Committee.

#### DECISION / OUTCOME OF INVESTIGATION

- ✚ An Investigation Report shall be prepared by the Ombudsman, after the completion of an investigation. All discussions of the proceedings would also be documented and the final report shall be prepared subsequently. The report shall be submitted to the Audit Committee. The decision taken by Audit Committee shall be final and binding.
- ✚ If an investigation leads to the conclusion that an Unethical Practice has been committed, the Audit Committee shall initiate disciplinary or corrective action as deemed fit.  
The recommendations can inter-alia be:
  - To reprimand, take disciplinary action, and impose appropriate penalty/ punishment;&/or
  - To terminate or suspend any contract or arrangement or transaction vitiated by such Unethical Practices.
- ✚ If an investigation leads the Ombudsman to conclude that an Unethical Practice has not been committed, the Ombudsman shall recommend for closer of the complaint.
- ✚ In case it is proved that complaint was a Motivated Compliant, the Ombudsman shall recommend appropriate action against the Whistle Blower.

AFTER APPROVAL OF THE AUDIT COMMITTEE, NECESSARY ACTION WILL BE INITIATED AND OMBUDSMAN WILL MONITOR EXECUTION OF ACTION AS AGREED. THE OMBUDSMAN SHALL APPROPRIATELY COMMUNICATE THE DECISION TO THE WHISTLE BLOWER AS WELL AS THE INVESTIGATION SUBJECT.

#### **DOCUMENTATION & RETENTION**

- ✚ All information/documents gathered by the Audit Committee and Ombudsman, as part of reporting or investigation, shall be kept confidential and safe to ensure that the same is not compromised or tampered with.
- ✚ All information related to reporting and investigation shall be kept in safe custody and its confidentiality will be ensured.

#### **SAFEGUARD OF WHISTLE BLOWER AGAINST VICTIMIZATION**

- ✚ The Company shall ensure protection to the Whistle Blower and any other employee(s) assisting in the said investigation from any victimization. However, to discourage Motivated Complaint(s), only genuine Whistle Blowers will be accorded protection from victimization.
- ✚ It is further clarified that protection under this Policy would not mean protection for filing a Motivated Complaint and/or protection from disciplinary action against the Whistle Blower which occurs on account of a poor job performance or misconduct independent of any Protected Disclosure. Only complaints in the nature of Unethical Practices, as defined in the definition, can be raised under the Policy.
- ✚ The Whistle Blower will continue to be bound by the terms and conditions of his/her contract of employment and the company's other policies and the Company shall make all endeavors to ensure that the identity of the Whistle Blower is kept confidential.

#### **NOTIFICATION**

- ✚ The new employees shall be informed about the Policy by the HR department at the time of induction.
- ✚ The Policy as amended from time to time shall be posted on the website/ circulated on quarterly basis to the employees and affiliates.

## **POLICY STATEMENT**

The Company is committed to the highest possible standards of ethical, moral and legal business conduct and has zero tolerance towards unethical or illegal standards of business conduct.

The Company's Stakeholders are expected to uphold professional integrity, honesty and ethical behavior in the conduct of the affairs of the Company's business across all units.

The whistle-blowing framework at the Company will not be influenced by an individual's position, race, colour, sexual orientation, gender identity/ expression, political belief, religion, marital status, caring responsibilities, national or ethnic origin, disability, age, citizenship or membership of a representative body.

This policy was originally adopted on 25<sup>th</sup> May, 2017 and  
Subsequently, reviewed and modified in the Board meeting held on 29<sup>th</sup> May, 2023.



1) Do you wish to disclose your identity to the Company?

IF "Yes" Please provide the below details:

- a) Your name : \_\_\_\_\_
- b) Your employee code : \_\_\_\_\_
- c) Your phone number : \_\_\_\_\_
- d) Your e-mail address : \_\_\_\_\_

2) Please describe your concern here and include all details that could be useful to investigate it:

(Describe concern here)

Please make sure you include the following relevant information in your concern description:

- specific misconducts (actions or behaviors) that are the subject of your concern or transactions that need to be investigated;
- dates when these actions/transactions occurred;
- location (The Company's sites or not) where these actions/transactions occurred;
- potential witnesses that can be interviewed;
- potential evidence or documentation that need to be reviewed;
- any detail you think might be useful;

**Note:** Be as specific as you can in your explanations. If you chose to remain anonymous, please ensure that you do not include in this description information that could reveal your identity.

3) Is the misconduct still on-going at the moment when you are reporting?

Yes	<input type="text"/>
No	<input type="text"/>
Not Sure	<input type="text"/>

4) Please identify by name and/or department the person(s) you believe to be involved in the above described misconduct:

a) Name : \_\_\_\_\_

b) Department : \_\_\_\_\_  
(if external Relationship with the company, the nature of relationship)

c) E-mail address : \_\_\_\_\_

d) Contact No : \_\_\_\_\_

5) How did you become aware of this misconduct?

(Provide details here)

Be as specific as you can in order to allow the Company to properly investigate your concern.

For example: (a) It happened to me; (b) I witnessed it happening; (c) I was told by someone who witnessed it; (d) I have seen evidence that it happened;

6) If you have a document or file that supports your report (Evidences), please enclose herewith.

\*\*\*\*\*