

Title: Whistle Blower Policy
w.e.f: March 01, 2014
Released by – Head HR
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## **Whistle Blower Policy**

### **[Apar's Ombudsmen]**

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

Apar Industries Limited., (hereinafter referred to as 'the Company') believes in conducting all of its constituents in fair, ethical and transparent manner, by adopting the highest standards of professionalism, honesty, integrity, probity, accountability and ethical behaviour.

An important aspect of this commitment is the introduction of this policy and setting a mechanism to enable anyone within the company and those dealing with the Company to voice their concern to the 'Ombudsmen of the Company' if they discover any information which he / she believe shows serious malpractice, impropriety, abuse of power and authority, financial wrongdoing or unethical conduct/practices, without fear of reprisal or victimization, subsequent discrimination or disadvantage.

The Company has also adopted the Apar Code of Conduct, which lays down the principles and standards that should govern the actions and behaviour of the Company and its employees. Any actual, potential, intentional or unintentional violation of this Apar Code of Conduct, howsoever insignificant or perceived as such, is also covered under this policy.

#### **2. Scope:**

This policy is designed to enable any person dealing with the Company to raise the alarm to the ombudsmen of the Company, if he has reliable information about a malpractice, unethical practice, impropriety, abuse or financial wrongdoing. This person hereby referred as 'Whistle Blower' is not required to act as investigator or finder of facts or determine corrective actions or obtain evidence in order to support his / her information. His / Her role is to 'Raise the Alarm' to the Ombudsmen of the Company and provide reasons for the same.

#### **OMBUDSMAN:**

In an organization, OMBUDSMANs are dispute resolution practitioners. They are independent, neutral, impartial, fair and objective in the treatment of people and consideration of issues.

### **3. Applicability and its Effective Date:**

This policy applies to any person dealing with the Company and becomes effective as on March 01, 2014.

### **4. Assurance/ Protection to whistle blower under the policy:**

- 4.1** No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Disclosure / Concern / Alarm 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. Protection will be given to Whistle Blowers against any unfair practices 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 Disclosure.
- 4.2** The identity of the Whistle blower may be kept strictly confidential. However, if the matter Involves legal / criminal nature, the informer's identify will be revealed to the relevant authorities as a part of the investigation process.
- 4.3** Whistle-blowers are encouraged to immediately report to the Ombudsmen or to the top management, any acts of retribution that have happened to them, due to the fact that they had made a disclosure of information.
- 4.4** Whistle-blower shall have right to access the Chairperson of the Audit Committee of the Company in appropriate and exceptional cases and the Chairperson of the Audit Committee is authorized to prescribe suitable directions in this regard.

### **5. Indications to Raise an Alarm:**

A matter can be considered serious enough for an alarm to be raised if it satisfies any of the following conditions: [Also refer to the Apar Code of Conduct up loaded on our website]

- 5.1** Any Malpractice, Impropriety, Abuse or financial wrongdoing of unethical practice.
- 5.2** Any wrongdoing which may be concealment or omission of financial facts which may lead to financial loss to the company.
- 5.3** Serious violation of any organization-level policy or ethical conduct, indicating that certain internal control points are weak and open for serious violations.
- 5.4** Any ongoing spurious matters likely to receive media or public attention.
- 5.5** Exposes the organization to a significant monetary or non-monetary liability.

- 5.6** Points towards any event which is the result of criminal action e.g. Disappearance of cash/ funds.
- 5.7** Indicates any incident / possible incident of sexual harassment at the workplace.
- 5.8** Indicates a significant threat to the health / safety of employees or community at large.
- 5.9** Any instances of leak of Unpublished Price Sensitive Information (UPSI) in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.
- 5.10** Any other violation / possible violation of the Apar code of conduct.

## **6. Exceptions:**

Any matter which is an individual employee grievance relating to the terms and conditions of employment shall be considered outside the scope of this policy and should be reported to the Human Resource Department.

## **7. Disqualification:**

**The following instances would constitute a violation of the Whistle-blower Policy,**

- 7.1** Bringing to light personal matters regarding another person, which are in no way connected and not impacting the Company, at the organization level.
- 7.2** Reporting information which, he/she does not have an authorization to access.
- 7.3** 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 and would be taken up with utmost sternness. The violations would be investigated and dealt with by the Ombudsman.
- 7.4** 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 malafide intention.
- 7.5** Misuse of this policy done with the intent to tarnish the reputation of anyone shall be dealt with disciplinary action, commensurate with the damages made.
- 7.6** Whistle Blowers, who make any disclosures, which have been subsequently found to be malafide or malicious or Whistle Blowers who make 3 or more Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting / making further Disclosures under this Policy.

**7.7** Actions against such violations could range in their severity, if necessary even extending up to termination of one's employment / contract / association with the organization.

## **8. Policy and procedure of Disclosure, Investigation and Disciplinary Action:**

### **8.1 What constitutes Malpractice, Impropriety, Abuse or wrongdoing?**

Malpractice impropriety, abuse and wrongdoing (hereinafter referred to as "Concern") can include a whole variety of issues and some are listed below. However, this is not a comprehensive list but is intended to illustrate the sort of issues, which may be raised under this policy.

- Any unlawful act, whether criminal (e.g. theft) or a breach of the civil law (e.g. slander or libel).
- Breach of any company policy or Manual or Apar code adopted by the company
- Health and safety risks, including risks to the public as well as other employees {E.g. faulty electrical equipment}.
- Damage to the environment (e.g. pollution).
- Fraud and corruption (e.g. to solicit or receive any valuable gifts or favours in any form or reward, which may or may not be a bribe).
- Any instance of failure to comply with legal or statutory obligation either for and on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
- Any instance of any sort of financial malpractice -disguising or fabricating data.
- Abuse of power and authority (e.g. bullying/ harassment).
- Any instances of leak of Unpublished Price Sensitive Information (UPSI) in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.
- Any other unethical or improper conduct.

### **8.2 What constitutes unethical Activities?**

Ethics encompasses the personal, organizational and corporate standards of behaviour with respect to rightness and wrongness of certain action, motives and behaviour expected from an employee. It can be defined as core principles or beliefs that outline moral values and rules of conduct and behaviour. That means qualities such as honesty, integrity, transparency, confidentiality, respectfulness as individual responsibility and accountability.

Unethical refers to the non-conforming to the accepted standards: consistent with agreed principles of correct moral conduct.

Examples of Unethical Activities include, but not limited to, fraud, Including financial fraud and accounting fraud, violation of laws and regulations, violation of Company policies or compromising the company reputation / brand, unethical behaviour or practices, endangerment to public health or safety and negligence of duty. It also includes wrongdoing regarding accounting practices, internal accounting controls, auditing matters or unethical business practices.

In the context of this policy, this may refer to any of the following:

- Failure to comply with a legal or regulatory obligation
- Unprofessional acts
- Misuse or inappropriate use of Apar funds or resources or facilities.
- A criminal offence
- A miscarriage of justice
- The endangering of an individual's health and safety
- Damage to the office/ plant environment or facilities
- Deliberate concealment of information relating to any of the above

### **8.3 How to disclose a concern?**

Any person intending to make any disclosure of a Concern is required to disclose all relevant information regarding the Concern in a signed written document / Email / SMS or Telephone, Fax of any other method, but not later than six months of the day on which he/she knew of the Concern.

### **8.4 To whom should the concern be disclosed?**

The concern / disclosure should be disclosed / reported to ANY OF the below mentioned Apar Ombudsmen, who shall be appointed for all the regions.

### **8.5 Who are Apar ombudsmen?**

- a. Mr. Chaitanya Desai [chaitanya.desai@apar.com] [9820291010]
- b. Mr. Sanjay Kumar [sanjay.kumar@apar.com] [9167248489]
- c. Mr. V. C. Diwadkar [vc.diwadkar@apar.com] [9833811133]

## **8.6 Who will investigate the concern?**

The disclosure will be thoroughly investigated by the Ombudsmen, together. They may seek information from any sources inside and outside the organization to investigate this, as deemed fit.

## **8.7 Procedure for handling the disclosed concerned.**

Once any disclosure of Concern has been made, the Ombudsmen to whom the disclosure has been made shall pursue the following steps:

- Obtain full details and clarifications of the concern towards unbiased fact-finding and analysis.
- All resources may be drawn upon as necessary to augment the full investigation of the allegation. However the investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.
- Consider the involvement of the company's Auditors or the police or any other external investigation agency or persons as required.
- If the information indicates a possible policy violation or a system deficiency, then the Ombudsmen may involve the concerned Business Heads as deemed fit.
- The identity of the whistle Blower (complainant) may be kept confidential to the extent possible given the legitimate need of the investigation.
- Care shall be taken that evidence shall not be withheld, destroyed or tampered with, and witness shall not be intimidated, influenced, coached, threatened.
- Prepare a detailed written report and submit the same to the CMD/ MD not later than 45 days from the date of disclosure of Concern.

## **8.8 Anonymous Allegations**

This policy encourages the Whistle Blower (complainant) to put his/her name to any disclosures he/she makes. No concerns expressed anonymously / through unsigned letters shall be entertained.

In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the concern raised
- The credibility of the concern
- The likelihood of confirming the allegation from attributable sources.

## **8.9 Untrue Allegations**

If the Whistle Blower (complainant) makes an allegation is not in good faith, which is confirmed by subsequent investigation, disciplinary action will be taken against him / her.

Hence in making a disclosure the Whistle Blower/ Complainant should exercise due good care to ensure the accuracy of the information.

## **8.10 Complaints of Retaliation as result of disclosure:**

If the Whistle Blower believes that he or she has been retaliated against in the form of an adverse personnel action for disclosing concern under this policy he / she may file a written complaint to the Ombudsman / CMD / MD requesting an appropriate remedy.

## **9. Exceptions:**

Any exceptions to this policy will require the special approval of the CMD / MD and to be reviewed a by Audit committee of the company.

If the grievance / conflict / dispute / concern is one impacting confidential or financial or involving a senior management member which is of serious nature, the same must be directly escalated to the CMD / MD.

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Process Owner: Head HR

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Kushal N Desai  
Chairman & Managing Director