

Title :	APAR – Fraud Prevention & Detection Policy
Effective from:	1 st July 2023
Released by:	Chairman & Managing Director
Date of Issue:	1 st July 2023
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Objective

The objective of this Policy is to provide a guideline to maintain a proactive approach to fraud prevention and the detection of fraudulent activities within the organization. It aims to establish clear guidelines and procedures for the prevention, identification, and response to fraud.

Scope

This Policy extends to all of the Company's domestic and international operations, and applies to all employees, directors, agents, contractors, consultants, suppliers, partners, customers, and any other individuals or entities associated with APAR.

Definitions

Fraud: It is defined as any intentional act or omission designed to secure an unfair or unlawful financial or personal gain, which may result in financial or non-financial loss to APAR.

Guiding Principles/ Commitments:

- 1) Personnel are strictly prohibited from engaging in or facilitating any fraudulent activities. We have a zero-tolerance policy for fraud in any form.
- 2) All Personnel must comply with applicable local, national, and international laws and regulations related to fraud prevention and detection.
- 3) We encourage Personnel to promptly report any suspected or actual incidents of fraud. The Company has an ethics committee in place.
- 4) Even if some conduct is permissible under the rules and regulations of the jurisdiction concerned, if it contravenes this Policy, the provisions of this Policy shall prevail and be followed by the persons to whom this Policy applies.
Conversely, even if some conduct is permissible under this Policy, but if it contravenes the rules and regulations of the jurisdiction concerned, such rules and regulations shall prevail and be followed by the persons to whom this Policy applies.
- 5) The contact details of all the members of ethics committee are available at the internal portal. In addition, an email id ethics.taskforce@apar.com, is in place for all stakeholders to raise their concerns.
- 6) Upon receiving a complaint, APAR will conduct a thorough investigation. If an individual is found to have committed fraud, appropriate disciplinary actions will be taken, which may include termination of employment, legal action, or other applicable remedies.
- 7) As outlined in the Whistle Blower Policy, APAR is committed to protecting whistle-blowers and will not tolerate any retaliation against individuals who report any fraudulent activity in good faith. This Policy is complementary to the Whistle Blower Policy.

- 8) APAR's suppliers are also required to maintain integrity standards which are satisfactory to the Company and all suppliers need to subscribe and provide separate consent to APAR's Supplier Code of Conduct.

Prevention measures:

We will continue to

- 1) Assess the risks of fraud within the organization and develop measures to mitigate those risks.
- 2) Ensure appropriate segregation of duties to prevent any single individual from having excessive control over financial or operational processes, which can create opportunities for fraud.
- 3) Have strong internal controls and oversight mechanisms to ensure transparency and accountability in financial and operational processes.
- 4) Regularly train all Personnel on awareness of fraud risks and consequences.

Detection and Response:

We will continue to

- 1) Regularly monitor and get the financial and operational transactions audited to detect irregularities and fraud indicators.
- 2) Adhere to the procedures for reporting suspected fraud.
- 3) Empower our investigation team to examine reported fraud cases, and conduct thorough investigations, preserve evidence, and take appropriate actions.
- 4) In the event of confirmed fraud, APAR will communicate the findings to relevant authorities, and legal action will be pursued as necessary.

This Fraud Prevention policy is a fundamental component of APAR's commitment to maintaining the highest ethical standards. It is essential that all Personnel understand and comply with this Policy. Violations will be taken seriously, and the organization will take appropriate action to enforce it.

This policy is part of the APAR Sustainability Framework, and this policy is oversighted by APAR Board of Directors.

The content and robustness of implementation of this policy will be reviewed periodically and revised accordingly.