



WHISTLE BLOWER POLICY

A) PREFACE:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting honest standards of professionalism, honesty, integrity and ethical behaviour. Company is committed to comply with the laws and regulations to which it is subject. To comply with the laws and regulations, a system has been put in place, which includes policies and process to interpret and apply these laws and regulations in the organization. This will help to strengthen and promote ethical practices and ethical treatment of all those who work in and with the organization.

The Internal Checks and Controls and Operating procedures are intended to detect and prevent the intentional/unintentional deviations/violations of the set internal controls and operating procedures. In order to avoid deviations, the Company has adopted Code of Conduct (“Code”), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The Code requires employees to report the violations, if any, to the Chairman of the Company or Chairman of the Audit Committee.

Through this “Whistle Blower Policy” the Company is providing a window through which such irregularities may be brought to light, by individuals who may be interacting with or observing the Company in the course of their business. The information provided would be useful in making its processes and systems more robust and sustainable.

Section 177(9) of Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges (effective from 1st October 2014) inter alia, provides for mandatory requirement for all listed and other class of companies as prescribed, to establish a “Whistle Blower Policy” for employees to report to the management, instances of unethical behaviour, actual or suspected, fraud or violation of the Code of the Company or ethics policy.

Accordingly, this policy has been formulated to provide opportunity to employees to have access in good faith, to the Audit Committee / Chairman of the Audit Committee of the Company in case they observe any unethical and improper practice or behavior or wrongful conduct in the Company and to prohibit managerial personnel from taking adverse personnel action against such employee.

B) APPLICABILITY:

This policy applies to all the employees of Apcotex Industries Limited, who disclose alleged wrongful conduct, as defined in this Policy and who, as a result of the disclosure, are subject to an adverse personnel action.

He/she is not required or expected to act as investigators to find-out the facts. He/She can't determine corrective actions either. Whistle blower doesn't have to obtain evidence in order to support his/her information. His/her role is simply to "raise the alarm".

C) POLICY:

No adverse personnel action may be taken against whistle blower in retaliation to his disclosure in good faith of any unethical & improper practice or wrongful conduct, which information the employee in good faith believes:

- A violation of any law,
- Mismanagement,
- Gross waste or misappropriation of Company's funds,
- A substantial and specific danger to public health and safety; or Acts, which are not in line with company's policy or detrimental to the image of the organization or violate the accepted values of the organization.
- An abuse of authority collectively referred to herein as "alleged wrongful conduct."
- Unlawful and improper conduct including any kind of harassment, sexual harassment of the women.
- To build and strengthen a culture of transparency and trust in the organization.
- To initiate disciplinary action against false allegations

D) DEFINITIONS:

1. **Abuse of authority**: Any act, conduct or decision which is outside the scope of the alleged violator's position, scope of duties, or level of authority as authorized by the designee. The actions or failure to take actions which are within the alleged violator's authority may constitute abuse of authority if the violator's motive or purpose is to harass, intimidate, or treat the employee unreasonably or capriciously under the applicable facts and circumstances.
2. **Adverse personnel action**: Any act, conduct or decision relating to employees or any failure to take appropriate action by a manager or higher level authority which affects an employee negatively and includes the following acts relating to Company's personnel system:
 - a. Termination of employment
 - b. Demotion
 - c. Suspension
 - d. Written reprimand
 - e. Retaliatory investigation
 - f. Decision not to promote
 - g. Receipt of an unwarranted performance rating
 - h. Withholding of appropriate salary adjustments

- i. Imposition of involuntary transfer or reassignment;
 - j. Elimination of the employee's position, reduction of existing workload;
 - k. Denial of awards, grants, leaves, benefits, or training for which the employee would normally be eligible.
 - l. Other significant change in job responsibilities or working conditions, which are inconsistent with the employee's position, salary or grade.
3. **Alleged wrongful conduct:** Violation of law, infringement of Company's code of conduct or ethic policy, mismanagement, misappropriation of monies, gross waste, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
 4. **Audit Committee:** A Committee of Board of Directors comprising of majority of Non-Executive Independent Directors, constituted in accordance of section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement executed with the Stock Exchanges.
 5. **Company:** Company means "Apcotex Industries Limited"
 6. **Compliance Officer:** Compliance Officer means, "Company secretary" of the Company
 7. **Conflict of interest:** When an employee is in a position to influence any Company's activities or decision which would lead to any matter or form of personal gain for himself / herself or for his / her family member, or when he / she has a personal vested interest in such activity or decision.
 8. **Discloser:** An employee who reports alleged wrongful conduct to Chairman of Audit committee Shri Kamlesh Vikamsey, by sending email at kamlesh@kkcllp.in or calling him at **(022) 6143 7333**.
 9. **Disclosure:** Oral or written report by an employee to Chairman of Audit Committee of alleged wrongful conduct on a matter of public concern.
 10. **Disclosure investigation:** Review and determination made by the appropriate Company officer and/or designees of a disclosure.
 11. **Good faith:** An employee shall be deemed to communicate in a 'good faith' if there is a reasonable basis for communication of unethical & improper practice or any other alleged wrongful conduct.

Good faith shall be deemed lacking when the employees does not have personal knowledge of factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical & improper practices or alleged wrongful conduct is malicious, false or frivolous.
 12. **Gross waste or misappropriation of Company's funds:** Any act, conduct or decision which is outside the scope of the alleged violator's spending or budgetary authority, or even when the action or decision is within budgetary authority, the action would be considered by a reasonable person to be grossly excessive, wasteful, or an improper use of Company's funds.
 13. **Knowing retaliation:** An adverse personnel action taken by a manager or other authority against an employee because of a prior disclosure of alleged wrongful conduct.

14. **Managerial Personnel:** Managerial Personnel shall include Executive Director, whole-time Director, Manager, Departmental Head, Supervisor, or other employees who has authority to make or materially influence significant personnel decision.
15. **Mismanagement:** Action or decision which exceeds the scope of the alleged violator's responsibilities, or even if the action is within responsibilities, the action would be considered by a reasonable person to be grossly excessive or unfair.
16. **Personnel action:** An employment-related action or decision, which affects an employee positively or negatively.
17. **Unethical & Improper Practice:** Unethical & improper practices means:
 - (i) Any act, which does not conform to approved standard of social and professional behaviour;
 - (ii) Any act which leads to unethical business practices;
 - (iii) Breach of etiquette or moral offensive behaviour, etc.
18. **Violation of law:** A violation of local, state, or federal law or regulation that is applicable to the Company or its employees.
19. **Whistleblower complainant ("complainant"):** A current or former employee who discloses / disclosed alleged wrongful conduct to Chairman / Member of Audit Committee and who subsequently is subjected to an adverse personnel action as a result of making the prior disclosure.
20. **Whistleblower complaint:** A complaint filed by a complainant with a Company officer alleging that an adverse personnel action was taken in retaliation for a prior disclosure of alleged wrongful conduct to Chairman / Member of Audit Committee.
21. **Whistleblower complaint review:** A review by a Company officer or committee of a whistleblower complaint, resulting in a written decision which the Company officer provides to the complainant.

E) INTERPRETATION:

Terms that have been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or in any SEBI Regulation (s) as amended from time to time.

F) GUIDELINES:

1. Internal Policy & Protection there under:

This policy is an internal policy on access to Audit Committee, which comprises of qualified Non-Executive Directors.

This policy prohibits the Company to take any adverse personnel action against its employees for disclosing in good faith any unethical and improper practices or alleged wrongful conduct to the Audit Committee. Any employee against whom any adverse personnel action has been taken due to disclosure of information under this policy may

approach the Audit Committee or in exceptional cases to the Board of Directors for appropriate relief.

2. False Allegation & Legitimate Employment Action:

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct to the Audit Committee shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedure.

3. Legitimate Employment Action

This policy may not be used as a defense by an employee against whom an adverse personnel action has been taken for legitimate reasons or cause under Company rules and policies. It shall not be a violation of this policy to take adverse personnel action against an employee whose conduct or performance warrants that action.

G) PROCEDURE:

- Employees who observe any unethical & improper practices or alleged wrongful conduct shall make a disclosure to the Audit Committee as soon as possible, after becoming aware of the same in the prescribed format (Annexure A).
- If the employee is unwilling or unable to put an oral disclosure in writing, he may approach Compliance Officer directly or through his superior or any other employee. The Compliance Officer shall prepare a written summary of the employee's disclosure and provide a copy to the employee.
- Audit Committee shall appropriately and expeditiously investigate all whistle blower reports received, in this regard. The Audit Committee, if the circumstances so suggest, may appoint senior officer or a committee of managerial personnel to investigate into matter.
- Audit Committee shall have right to outline detailed procedure for an investigation.
- Where an Audit Committee has designated a senior officer or committee of managerial personnel for investigation, they shall mandatorily adhere to procedure outlined by Audit Committee for investigation.
- The Audit Committee or officer or Committee of managerial personnel, as the case may be, shall have right to call for any information/document and examination of any employee of the Company or other person(s), as the they may deem appropriate for the purpose of conducting investigation under this policy.
- A report shall be prepared after completion of investigation and the Audit Committee shall consider the same.
- After considering the report, the Audit Committee shall determine the cause of action and may order for remedies which may inter-alia include:
 - Order for injunction to restrain continuous violation of this policy.
 - Reinstatement of the employee to the same position or to an equivalent position.
 - Order for compensation for lost wages, remuneration or any other benefits, etc.

H) NOTIFICATION:

All the departmental heads are required to notify and communicate the existence and content of this policy to the employees of their department. Every departmental head shall submit a certificate duly signed by him to the Compliance officer that this policy was notified to each employees of his department. The new employees shall be informed about the policy by the HR department and statement in this regard should periodically submit to the Compliance Officer.

I) AMENDMENT:

The company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modifications will be binding on the Employees unless the same is notified to the Employees in writing.



ANNEXURE A

COMPLAINT FORM

Name _____ Department/Function _____

Department _____ Tel /cell no. _____

Supervisor _____ E-mail Id _____

Type of Violation: Legal Accounting/Auditing Retaliation

Date Complainant became aware of potential violation: _____

Violation is: Ongoing Completed Unclear whether ongoing or completed

Department suspected of violation: _____

Individuals suspected of violation: _____

Describe all of the relevant facts of the violation: _____

How did Complainant become aware of the violation: _____

Steps taken by Complainant prior to contact: _____

Who, if anyone, may be harmed or affected by the violation?: _____

If the violation is legal, estimate the amount of loss to the Company as a result of the violation

Actual _____ Potential _____

If the violation relates to accounting/auditing matters, estimate the amount of the misreporting and indicate the affected category (or categories) of misreporting:

Amount : Rs. _____ (Rupees _____ Only)

Category: Assets Liabilities Expenses Revenues Valuation Equity

Provide any suggestions for remedying the violation: _____

Do you wish to be contacted by the investigating officers regarding the status of the investigation?

Yes No