

# **SHALIMAR PAINTS LIMITED**

## **WHISTLE BLOWER POLICY**

## 1. Preface

- 1.1 The Company 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 behaviour.
- 1.2 Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, inter-alia, provides for mandatory establishment of a vigil mechanism for directors and employees to report their genuine concerns or grievances about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- 1.3 In order to inculcate accountability and transparency in its business conduct, the Company has been constantly reviewing its existing systems and procedures. As a part of this exercise, it has been decided to introduce a Whistle Blower Policy.
- 1.4 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise their concerns internally in a responsible and effective manner if and when they discover information which they believe shows serious malpractice. Any deviation from the key policies - significant or not, will be a cause of serious concern to the Company and should be reported to the authorized officials immediately.
- 1.5 This Whistle Blower Policy aims to provide a method of properly addressing genuine concerns that individuals within the Company

might have and also offers appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings.

1.6 The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

## 2. Policy

2.1 This policy shall be called as "Shalimar Paints Limited - Whistle Blower Policy."

2.2 This Policy is for the Directors and Employees of the Company.

## 3. Definitions

3.1 "**Audit Committee**" means the Audit Committee of the Board of Directors of the Company constituted in accordance with Section 177 of the Companies Act, 2013 and Rules framed thereunder read with Clause 49 of the Listing Agreement with the Stock Exchanges.

3.2 "**Board/ Board of Directors**" means the Board of Directors of the Company.

3.3 "**Code**" means the Code of Conduct of Shalimar Paints Limited.

3.4 "**Company**" means Shalimar Paints Limited.

3.5 "**Disciplinary Action**" means any action that can be taken on the completion of / during the investigation proceedings, including but not limited to, a warning, imposition of fine, recovery of financial losses incurred by the Company, suspension/dismissal from official duties or any such action as may be deemed fit considering the gravity of the matter.

- 3.6 **“Employee”** means every employee of the Company (whether working in India or abroad) including Directors in whole time employment of the Company and temporary/contractual employees.
- 3.7 **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Chairman of the Whistle Blowers Grievance Redressal Committee, Departmental Heads and includes the Auditors of the Company, Police and other Investigating Agency(ies) appointed in terms of this Policy.
- 3.8 **“Initial Communication”** means a written communication of any form of letter/e-mail that discloses or demonstrates information that may evidence unethical or improper activity.
- 3.9 **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 3.10 **“Subject”** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 3.11 **“Whistle Blower”** means an employee who makes a Protected Disclosure under this Policy.
- 3.12 **“Whistle Officer”** or **“Committee”** means an officer or Committee of persons who is nominated/appointed to conduct detailed investigation.
- 3.13 **“Ombudsperson”** will be a Non-Executive Director for the purpose of receiving all complaints under this Policy and ensuring appropriate action.

#### **4. The Guiding Principles**

To ensure that this Policy is adhered to and to assure that the concern raised by the Whistle Blower will be acted upon promptly and seriously, the Company will:

- i. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized and/or harassed for doing so;
- ii. Treat victimization as a serious matter
- iii. Ensure complete confidentiality.
- iv. Not to attempt to conceal evidence of the Protected Disclosure;
- v. Take serious disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- vi. Provide an opportunity of being heard to the persons involved especially to the Subject;

#### **5. Coverage of Policy**

5.1 This policy encourages all the Whistle Blowers to report any kind of misuse of company's properties, mismanagement or wrongful conduct prevailing/executed in the company, which the Whistle Blower in good faith, believes, including but not restricted to the following:

- i. Abuse of authority
- ii. Breach of contract
- iii. Negligence causing substantial and specific danger to public

health and safety

- iv. Manipulation of the Company's data/records
- v. Financial irregularities, including fraud, or suspected fraud
- vi. Criminal offence having repercussions on the Company or its reputation.
- vii. Pilferation of confidential/propriety information
- viii. Deliberate violation of law/regulation, policies including but not limited to corruption, bribery, theft, fraud, coercion and willful omission
- ix. Misappropriation/mismanagement of the Company's funds/assets
- x. Breach of Code of Conduct or Rules
- xi. Unofficial use of Company's property/human assets
- xii. Any other unethical, biased, favoured, imprudent event

5.2 Policy should not be used in place of the Company's grievance procedures or as a route for raising malicious or unfounded allegations against colleagues.

## **6. Disqualifications**

6.1. 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.

6.2 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.

6.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious shall be liable for appropriate disciplinary action

## **7. Manner in which concern can be raised and redressed**

7.1 Employees can make Protected Disclosure to Ombudsperson, as soon as possible but not later than 30 consecutive days after becoming aware of the same. The complaint must be either in the form of a written letter (in closed envelope) or by e-mail.

7.2 The Whistle Blower must indicate his/her name, contact details and relationship with the Company in the complaint. Concerns expressed anonymously WILL NOT BE investigated.

7.3 Relevant supporting documents/ evidences and a brief background must form an integral part of the written complaint.

7.4 The Whistle Blower shall exercise caution before lodging a complaint to ensure that s/he is not doing so under influence of any person and/or any past incidents.

7.5 If initial enquiries by the Ombudsperson indicate that the concern has no basis, or it is not a matter to be investigated under this Policy, it may be dismissed at this stage and the decision be documented.

7.6 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Ombudsperson alone, or by a Whistle Officer/Committee nominated by the Ombudsperson for this purpose. The investigation would be conducted in a fair and transparent manner, as a neutral fact-finding process and without presumption of guilt. A written report of the

findings would be made.

7.7 Name of the Whistle Blower shall not be disclosed to the Whistle Officer/Committee.

7.8 The Ombudsperson/Whistle Officer/Committee may perform all such acts as may deem fit and appropriate to safeguard the interests of the Company, including but not limited to, the following functions:

- i. obtain legal opinion or expert's view in relation to initial communication;
- ii. appoint external agency to assist in investigation;
- iii. seek assistance of the Statutory Auditors and Internal Auditors;
- iv. seek explanation and give reasonable opportunity to the accused to respond;
- v. reviewing material findings contained in investigation report;
- vi. recommend appropriate penal action against the accused or against the complainant for lodging false complaint, as the case may be.

7.9 The Ombudsperson/Whistle Officer/Committee shall:

- i. Make a detailed written record of the Protected Disclosure.

The record will include:

- a) Facts of the matter
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Whether any Protected Disclosure was raised previously against the same Subject;
- d) The financial/ otherwise loss which has been incurred /



would have been incurred by the Company.

e) Findings of Ombudsperson/Whistle Officer/Committee;

f) The recommendations of the Ombudsperson/Whistle Officer/Committee on disciplinary/other action/(s).

ii. The Whistle Officer/Committee shall finalise and submit the report to the Ombudsperson within 15 days of being nominated/appointed.

7.10 On submission of report, the Whistle Officer /Committee shall discuss the matter with Ombudsperson who shall either:

i. In case the Protected Disclosure is proved, accept the findings of the Whistle Officer /Committee and take such Disciplinary Action as he may think fit and take preventive measures to avoid re- occurrence of the matter;

iii. In case the Protected Disclosure is not proved, extinguish the matter;

Or

Depending upon the seriousness of the matter, Ombudsperson may refer the matter to the Committee of Directors (Whole-time Directors) with proposed disciplinary action/counter measures. The Committee of Directors, if thinks fit, may further refer the matter to the Audit Committee for necessary action with its proposal. In case the Audit Committee thinks that the matter is too serious, it can further place the matter before the Board with it recommendations. The

Board may decide the matter as it deems fit.

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

## **8. Protection**

8.1 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 the Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior 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.

8.2. The identity of the Whistle Blower shall be kept confidential and disclosed only to the extent necessary given the legitimate needs of

law and the investigation process.

8.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

## **9. Secrecy/Confidentiality**

The Whistle Blower, the Subject, the Whistle Officer and everyone involved in the process shall:

- i. maintain complete confidentiality/ secrecy of the matter
- ii. not discuss the matter in any informal/social gatherings/ meetings
- iii. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- iv. not keep the papers unattended anywhere at any time i.e. 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.

## **10. Reporting**

A report with number of complaints received under the Policy during each of the Financial Year and their outcome shall be placed before the Audit Committee. It will be the discretion of the Ombudsperson to identify the incidences which will be reported to the Audit Committee under this Policy. The Audit Committee of the Company shall oversee the vigil mechanism established by the Company.

## **11.Amendment**

This Policy may be amended from time to time by the Board based on the recommendations of the Ombudsperson or the Audit Committee of the Board.

## **12.Notification**

All departmental heads are required to notify and communicate the existence and contents of this Policy to all the Employees. The new Employees shall be informed about the Policy by the Human Resources Department.

This Policy as amended from time to time shall be made available at the website of the Company.