

SHARP INDIA LIMITED WHISTLE BLOWER POLICY

1. PREAMBLE

- 1.1 Sharp India Limited (the '**Company**') believes in adhering to the highest standards of ethical practices and ethical treatment, moral and legal principles for the purpose of ensuring efficiency in the conduct of its business operations.

The Company has adopted the Code of Conduct for Directors and Senior Management which lays down the general 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 role of the Directors and Employees in pointing out such violations of the Code cannot be undermined.

- 1.2 The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 1.3 Section 177 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, *inter alia*, requires all listed companies to establish a mechanism called "Whistle Blower Policy" for Directors and Employees to report to the management, instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- 1.4 Accordingly, this Whistle Blower Policy ('**this Policy**') has been formulated with a view to provide a mechanism for Directors and Employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc. This Policy would also help to create an environment where individuals feel free and secure to raise the alarm where they see a problem. It will also ensure that whistleblowers are protected from retribution, whether within or outside the organization.
- 1.5 The purpose of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects Directors and Employees wishing to raise a concern about serious irregularities within the Company.
- 1.6 This Policy neither releases Directors and 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 is for the Directors and Employees of the Company.
- 2.2 This Policy has been drawn up so that Directors and/ Employees can be confident about raising a concern.
- 2.3 This Policy covers malpractices and events which have taken place or are suspected to take place involving:
- 2.3.1 Abuse of authority;
 - 2.3.2 Breach of contract;
 - 2.3.3 Negligence causing substantial and specific danger to public health and safety;
 - 2.3.4 Manipulation of company data/records;
 - 2.3.5 Financial irregularities, including fraud, or suspected fraud;
 - 2.3.6 Unlawful act whether Criminal or Civil;
 - 2.3.7 Pilferation of confidential or proprietary information;

- 2.3.8 Deliberate violation of law or regulation;
 - 2.3.9 Wastage/misappropriation of company funds/assets;
 - 2.3.10 Breach of employee Code of Conduct or Rules;
 - 2.3.11 Any other unethical, biased, favoured, imprudent event.
- 2.4 This Policy should not be used in place of the grievance procedures of the Company or be a route for raising malicious or unfounded allegations against colleagues.

3. DEFINITIONS

- 3.1 **'Audit Committee'** means the Audit Committee constituted by the Board of Directors of the Company in accordance with the Companies Act and 49 of the Listing Agreement with the Stock Exchanges.
- 3.2 **'Board'** means the Board of Directors of Sharp India Limited or the Company.
- 3.3 **'Disciplinary Action'** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- 3.3 **'Employee'** means every employee of the Company (whether working in India or abroad), including the Director in the employment of the Company.
- 3.4 **'Good faith'** shall imply the absence of unethical and improper activity or any other alleged wrongful conduct forming a reasonable basis for making a protected disclosure under this Policy.
- 3.5 **'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 and / or any condition that may preempt occurrence of such activities.
- 3.5 **'Subject'** means a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 3.6 **"Unethical and/or Improper Activity"** means an activity which does not conform to approved standard of social and professional behavior thereby resulting in unethical business practices.
- 3.7 **'Whistle Blower'** is someone who makes a Protected Disclosure under this Policy.

4. GUIDING PRINCIPLES

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

- 4.1.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- 4.1.2 Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- 4.1.3 Ensure complete confidentiality;
- 4.1.4 Not attempt to conceal evidence of the Protected Disclosure;
- 4.1.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- 4.1.6 Provide an opportunity of being heard to the persons involved especially to the Subject.

5. DISQUALIFICATIONS

- 5.1 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.
- 5.2 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.
- 5.3 Whistle Blowers who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous, malicious or reported otherwise than in good faith shall be liable to be prosecuted under Company's Code of Conduct. In respect of such Whistle Blowers, the Chairman of the Audit Committee would reserve the right to take or recommend appropriate disciplinary action.
- 5.4 Bringing to light personal matters regarding another person, which are in no way connected to the organization.

6. MANNER OF MAKING DISCLOSURE AND INVESTIGATION

- 6.1 Employees can make Protected Disclosure in writing addressed to the Chairman of the Audit Committee of the Company as soon as possible but not later than 30 consecutive days after becoming aware of the same, in a sealed envelope and deliver the same to the Managing Director who shall arrange to deliver the sealed envelope to the Chairman of the Audit Committee.
- 6.2 Whistle Blower must put his/her name to allegations. Concerns expressed anonymously WILL NOT BE investigated.
- 6.3 If initial enquiries by the Chairman of the Audit Committee of the Company 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 will be documented.
- 6.4 Where initial enquiries indicate that further investigation is necessary, this will be carried through either by the Chairman of the Audit Committee of the Company alone for this purpose or by such member (s) of the Audit Committee as may be identified by the Chairman for this purpose. The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- 6.5 It is assured that confidentiality will be maintained of the subject matter of the Disclosure and the identity of the Whistle Blower.
- 6.6 The Chairman of the Audit Committee of the Company shall:
 - 6.6.1 Make a detailed written record of the Protected Disclosure. The record will include:
 - 6.6.1.1 Facts of the matter
 - 6.6.1.2 Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
 - 6.6.1.3 Whether any Protected Disclosure was raised previously against the same Subject;
 - 6.6.1.4 The financial/ otherwise loss which has been incurred / would have been incurred by the Company.
 - 6.6.1.5 Findings of Chairman of the Audit Committee of the Company;

6.6.1.6 The recommendations of the Chairman of the Audit Committee of the Company on disciplinary/other action/(s).

6.6.2 Finalise and submit the report and submit it to the Audit Committee for further action.

6.7 On submission of report, the Audit Committee shall discuss the matter with Chairman of the Audit Committee of the Company who shall either:

6.7.1 In case the Protected Disclosure is proved, accept the findings and take such Disciplinary Action as it may think fit and take preventive measures to avoid reoccurrence of the matter;

6.7.2 In case the Protected Disclosure is not proved, extinguish the matter; or

6.7.3 Depending upon the seriousness of the matter, the Chairman of the Audit Committee of the Company may refer the matter to the Committee of Directors (Whole-time Directors) with proposed disciplinary action/counter measures. The Committee of Directors, if it 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 its recommendations. The Board may decide the matter as it deems fit.

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

7. PROTECTION

7.1 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 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.

7.2 The identity of the Whistle Blower shall be kept confidential.

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

8. SECRECY / CONFIDENTIALITY

8.1 The Whistle Blower, the Subject and every one involved in the process shall:

8.1.1 maintain complete confidentiality/ secrecy of the matter;

8.1.2 not discuss the matter in any informal/social gatherings/ meetings;

8.1.3 discuss only to the extent or with the persons required for the purpose of completing the process and investigations;

8.1.4 not keep the papers unattended anywhere at any time;

8.1.5 keep the electronic mails/files under password.

- 8.2 If any one is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

9. REPORTING

- Any complaint received under the policy and their outcome shall be placed before the immediate next Audit Committee Meeting and the Board Meeting.

10. DISCLOSURE

The details of establishment of the whistle blower mechanism shall be disclosed on the website of the Company and in Board's report.

11. AMENDMENT

The Board of the Company has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

12. ANNUAL AFFIRMATION

The Company shall annually affirm that it has not denied to any person access to the Audit Committee.

The affirmation shall form part of the Report on Corporate Governance in the Annual Report of the Company.
