

## **WHISTLE BLOWERS POLICY**

### **1. PREAMBLE**

This policy is formulated to provide employees an opportunity to raise concerns to the Audit Committee, in case they observe unethical and improper practices or any other wrongful conduct in the Company. The Policy provides necessary safeguards for protection of employees from reprisals or victimization and prohibits managerial personnel from taking any adverse personnel action against these employees.

### **2. APPLICABILITY**

This policy applies to all permanent employees of the Company.

### **3. POLICY**

The Policy will ensure that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment. The Policy will protect such employees from unfair termination and unfair prejudicial employment practices.

However this policy will not protect an employee from disciplinary action arising out of false or bogus allegations made by the Whistle Blower who knowingly makes such allegation with a malafide intention or alleged wrongful conduct.

### **4. DEFINITIONS**

#### **a. Adverse Personnel Action**

An employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves and training or other privileges.

#### **b. Alleged Wrongful Conduct**

Alleged Wrongful Conduct shall mean violation of law, infringement of Company's Code of Conduct or ethic policies, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.

c. **Audit Committee**

Audit Committee shall mean a Committee of Board of Directors of the Company, constituted in accordance with provisions of Section 177 of Companies Act, 2013 read with Clause 49 of Listing Agreement entered into by the Company with Stock Exchanges.

d. **Company**

Company means, 'Indoco Remedies Limited'.

e. **Compliance Officer**

Compliance Officer means, 'Company Secretary' of the Company.

f. **Good Faith**

An employee shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous

g. **Managerial Personnel**

Managerial Personnel shall include Director, all Executives at the level of Manager and above, who has authority to make or materially influence significant personnel decisions.

h. **Policy or This Policy**

Policy or This Policy means, 'Whistle Blower Policy'.

i. **Protected Disclosures**

Protected Disclosures means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

j. **Subject**

Subject means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

k. **Unethical and Improper Practices**

Unethical and improper practices shall mean –

- i) An act which does not conform to approved standard of social and professional behaviour;

- ii) An act which leads to unethical business practices;
- iii) An improper or unethical conduct;
- iv) A breach of etiquette or morally offensive behaviour,
- v) A practice that may lead to incorrect financial reporting;
- vi) A practice not in line with applicable company policy;
- vii) A practice which is unlawful etc.

#### **1. Whistle Blower / Complainant**

An employee of the Company may disclose in good faith any unethical & improper practices or alleged wrongful conduct to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to the Audit Committee in writing. The Whistle Blower's role is as a reporting party, he/she is not an investigator. Although the Whistle Blower is not expected to prove the truth of an allegation, he needs to demonstrate to the Audit Committee, that there are sufficient grounds for concern.

#### **5. INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or SEBI Act and/or any other SEBI Regulation(s) as amended from time to time.

#### **6. GUIDELINES**

##### **A. Internal Policy & Protection under Policy**

- a) 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 Blowers. Complete protection will be given to Whistle Blowers against any unfair practice 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 Blowers right to continue to perform his/her duties/functions including making further Protected Disclosures. The Company will take steps to minimise difficulties which the Whistle Blower may experience as a result of making Protected disclosure.
- b) A Whistle Blower may report any violation of the above clause to the Head of the Department/Managing Director or Chairman of the Audit committee which shall investigate into the same and recommend suitable action to the management.

- c) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.
- d) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## **B. Safeguards**

### **Confidentiality:**

Confidentiality of whistle blower shall be maintained to every extent possible. All efforts will be made to protect the whistle blower's identity, subject to legal constraints.

### **Harassment or Victimization:**

Harassment or victimization of the complainant will not be tolerated and could constitute sufficient grounds for dismissal of the concerned employee.

### **Anonymous Allegations:**

Complainants must put their names to allegations as follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously generally WILL NOT BE investigated unless the Audit Committee initiates an investigation taking into account the seriousness of the issue.

### **Malicious Allegations:**

Malicious allegations by employees may result in disciplinary action.

## **C. False Allegation & Legitimate Employment Action**

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.

Protection under this policy would not mean protection from disciplinary action arising out of false or bogus allegations made by the Whistle Blower who knowingly makes such allegation with malafide intention.

Whistle Blowers who make any Protected Disclosures which have been subsequently found to be malafide or malicious or Whistle Blowers who make 2 or more Protected disclosures which have subsequently found to be frivolous, baseless or reported otherwise than in good faith will not be permitted from reporting further Protected Disclosures under this Policy.

## **D. Disclosure**

An employee who observes or notices any unethical & improper practices or alleged wrongful conduct in the Company may report the same to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to Audit Committee through e-mail addressed to ['auditcommittee@indoco.com'](mailto:auditcommittee@indoco.com).

## **E. Accountabilities – Employees**

- a. Bring to notice of the company any improper practice they become aware of. Although they are not required to provide proof, they must have sufficient cause for concern.
- b. Avoid anonymity when raising a concern
- c. Co-operate with investigating authorities, maintaining full confidentiality.
- d. The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty complaints. Malicious allegations by employees may attract disciplinary action.
- e. A complainant has the right to protection from retaliation. But this does not extend to immunity for complicity in the matters that are the subject of the allegations and investigation.
- f. In exceptional cases, where the complainant is not satisfied with the outcome of the investigation carried out by the Ombudsperson, she/he can make a direct appeal to the Chairman of the Audit Committee.

## **F. Accountabilities – Head of Department/ Managing Director/ Audit Committee**

- a) Conduct the enquiry in a fair, unbiased manner.
- b) Ensure complete fact-finding.
- c) Maintain strict confidentiality.
- d) Decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom.
- e) Recommend an appropriate course of action – suggested disciplinary action, including dismissal, and preventive measures.
- f) Minute Committee deliberations and document the final report.

## **7. Procedures**

The whistle blowing procedure is intended to be used for **serious and sensitive issues**. Serious concerns relating to financial reporting, unethical & improper practices shall make a disclosure to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to the Audit Committee as soon as possible but not later than 45 consecutive calendar days after becoming aware of the same. The Departmental Head shall immediately forward Whistle Blower Report to the Managing Director of the Company. The Managing Director may inquire in respect of the Whistle Blower Report and after preliminary inquiry, if required, shall report the same to the Audit Committee.

Audit Committee shall appropriately and expeditiously investigate all whistle blower reports received. In this regard, Audit Committee, if the circumstances so suggest, may appoint a senior executive or a committee of managerial personnel to investigate into the matter and prescribe the scope and time limit therefore.

Audit Committee shall have right to outline detailed procedure for an investigation. Where the Audit Committee has designated a senior executive or a committee of managerial personnel for investigation, they shall mandatorily adhere to scope and 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 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 alleged Adverse Personnel action and may order for appropriate course of action, which may inter-alia, include:

- a) Order for an injunction to restrain continuous violation of this policy;
- b) Reinstatement of the employee to the same position or to an equivalent position;
- c) Order for compensation for lost wages, remuneration or any other benefits, etc.
- d) Disciplinary action, including dismissal, if applicable, as well as preventive measures for the future.

Subject to legal constraints, she/he will receive information about the outcome of any investigations. All discussions would be minuted and the final report prepared. The decision of Audit Committee shall be final and binding. If and when the Audit Committee is satisfied that the alleged unethical & improper practice or wrongful conduct existed or is in existence, then the Audit Committee may –

- a) recommend to Board to reprimand, take disciplinary action, impose penalty / punishment order recovery when any alleged unethical & improper practice or wrongful conduct of any employee is proved.
- b) recommend termination or suspension of any contract or arrangement or transaction vitiated by such unethical & improper practice or wrongful conduct

## **8. Investigation**

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated

- b. The person investigating the matter may at his discretion, consider involving any Investigators for the purpose of the investigation
- c. The decision to conduct an investigation is by itself not an accusation and is to be treated as a fact finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower than an improper or unethical act was committed.
- d. The identity of a Whistle Blower/Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation
- e. The Subject will normally be informed of the allegations at the outset of a formal investigation and have opportunities to defend themselves during investigation
- f. Subject shall have a duty to cooperate the investigators during the investigation to the extent that such cooperation will not compromise self incrimination protection available under the applicable laws.
- g. Subjects have a right to consult with person or persons of their choice other than the Investigators and/or members of the Audit Committee and / or the Whistle Blower. Subject shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such cost.
- h. Subject has a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the Subject.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegations of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subject has a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure

## **9. Notification**

All departmental heads are required to notify & communicate the existence and contents 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 Personnel department and statement in this regard should be periodically submitted to the Compliance Officer. This policy as amended from time to time shall be made available at the Web site of the Company.

## **10. Annual Affirmation**

The Company shall annually affirm that it has not denied any personnel access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action. The affirmation shall form part of Corporate Governance report as attached to the Annual Report of the Company.