

Zydus Wellness Limited

Registered Office: House No. 6 & 7, Sigma Commerce Zone, Nr. Iscon Temple,
Sarkhej–Gandhinagar Highway, Ahmedabad–380 015

Whistle Blower Policy

The Board of Directors at its meeting held on 7th February, 2013 approved the following Whistle Blower Policy as per the provisions of clause 49 of the Listing Agreement.

Background:

Clause-49 of the Listing Agreement embodying Corporate Governance Code interalia provides that a company may establish Whistle Blower Policy for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Code further provides that the policy could also provide for adequate safeguards against victimization of employees who avail of the mechanism and for direct access to the **Chairman of the Audit Committee** in exceptional cases. Implementation of Whistle Blower Policy is one of the non-mandatory requirements of the Code.

1.0 Objectives:

- 1.1 To provide a framework & necessary safeguards to encourage responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities, to foster professionalism, honesty, integrity and ethical behavior within the company.
- 1.2 To enable all employees to report to the management instances of unethical behavior, improper practices, actual or suspected fraud or violation of the Company's code of conduct.
- 1.3 This policy has been drawn up so that employees can be confident about raising a concern in good faith. The areas of concern covered by this Policy are summarized in Clause No. 4.2 & 4.3.

2.0 Coverage and Definitions :

2.1 Coverage

All employees and staff on the rolls of the Company.

2.2 Definitions

2.2.1 **Whistle Blower**

Whistle Blower is a person who makes a Protected Disclosure under this Policy

2.2.2 **Audit Committee**

The Audit Committee is a committee constituted by the Board of Directors of the Company in accordance with Section 292A of the Companies Act, 1956 (including any statutory modifications or reenactment thereof) read with Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

2.2.3 **Whistle Blower Committee**

Whistle Blower Committee consists of members from Corporate HR, Finance & Audit and Head of Security & Vigilance.

2.2.4 **Designated Officer**

Designated Officer is a person appointed by the Management to investigate matter with or without the help of Whistle Blower Committee as per the directive of Head - HR or the Chief Financial Officer.

2.2.5 **Protected Disclosure**

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.

3.0 **Effective Date:**

This Policy is effective from 1st January 2013.

4.0 **Policy and Procedure:**

4.1 The company will constitute a '**Whistle Blower Committee**' for conducting detailed investigation on any information received under the purview of this policy.

- 4.2 Under this policy, employees can bring to the notice of Head – HR occurrence of any of the following within 15 days. In the report he / she should mention name of suspected person involved, location, date, nature of concern, documentary proof (if available) and contact person, if any, for more information.
- 4.2.1 Abuse of authority
 - 4.2.2 Breach of Contract
 - 4.2.3 Negligence causing substantial and specific danger to the company and or to public health and safety.
 - 4.2.4 Manipulation of company data / records.
 - 4.2.5 Criminal offence
 - 4.2.6 Pilferation of confidential / proprietary information.
 - 4.2.7 Deliberate violation of law / regulation.
 - 4.2.8 Wastage / misappropriation of company funds / assets.
 - 4.2.9 Breach of employee Code of Conduct or Rules.
 - 4.2.10 Any other unethical, biased, favoured, imprudent event including or any breach of etiquette or morally offensive behavior, or an act or omission which does not conform to the standard of social and professional behavior.
- 4.3 Under this policy, employees can inform by email or written report related to financial irregularities, including fraud, or suspected fraud to Chief Financial Officer (CFO) of the Company. In the email or written report he / she should mention name of suspected person involved, location, date, nature of concern, documentary proof (if available) and contact person, if any, for more information.
- 4.4 Whistle Blower must put his / her name in the allegation raised. Concerns expressed anonymously will not be investigated because of 'Anonymity' expression.

- 4.5 If initial enquiries by the **Head–HR / Chief Financial Officer** indicate that the concern has no basis, or it is not a matter of investigation to be pursued under this Policy, it may be dismissed at this stage and the decision will be documented.

The policy shall not be used in place of the company's grievance procedures or be a route for raising malicious allegations against colleagues.

- 4.6 Where initial enquiries indicate that further investigation is necessary, Head - HR / Chief Financial Officer will take appropriate decision to appoint a Designated Officer for further enquiry of the matter or order further enquiry by the Whistle Blower Committee depending upon the seriousness of matter.

The investigation would be conducted in a fair manner, as a neutral fact-finding process and without any presumption of guilt. A written report of the findings would be prepared accordingly.

- 4.7 Name of the Whistle Blower shall not be disclosed to the Designated Officer or Whistle Blower Committee.

- 4.8 The Designated Officer / Whistle Blower Committee shall:

- 4.8.1 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 Designated Officer / Whistle Blower Committee.
- f) The recommendations of the Designated Officer / Whistle Blower Committee on disciplinary / other action/(s)

- 4.8.2 The Designated Officer / Whistle Blower Committee shall submit the report on non-financial matters to Head – HR and on financial matters to Chief Financial Officer normally within 15 days of being nominated / appointed.

- 4.9 The Designated Officer / Whistle Blower Committee will discuss the matter with Head - HR / Chief Financial Officer and :

4.9.1 Depending upon the seriousness of the matter, Designated Officer / Whistle Blower Committee may propose disciplinary action / counter measures. In case the **Head–HR** or the **Chief Financial Officer** thinks that the matter is too serious, he can further place the matter before the **Chairman** with recommendations. The **Chairman** may decide the matter as he deems fit.

4.9.2 In case the Protected Disclosure is not proved, the matter will be closed.

5.0 Protection

5.1 No unfair treatment will be made to a Whistle Blower by virtue of his / her having reported a Protected Disclosure under the Policy. The Company 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 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 and the company will bear the cost of such proceedings, etc.

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

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

6.0 Secrecy / Confidentiality

6.1 The Whistle Blower, the Subject, the Whistle Blower Committee members and everyone involved in the process shall:

6.1.1 Maintain complete confidentiality / secrecy of the matter.

6.1.2 Not discuss the matter in any informal / social gatherings / meetings

6.1.3 Discuss only to the extent or with the persons required for the purpose of completing the process and investigations.

6.1.4 Not keep the papers unattended anywhere at any time

6.1.5 Keep the electronic mails / files under password.

6.2 If anyone is found not complying with the above, he / she shall be held liable for such disciplinary action as is deemed fit.

7.0 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be malafide, frivolous or malicious shall be barred from making any further report under this policy.

After investigation, the whistle blower will be informed of the outcome of the investigation by Head - HR or the Chief Financial Officer, as the case may be.

8.0 The Management reserves the right to amend, alter or modify any Clause of this Policy at its sole discretion.