

SHILPA MEDICARE LIMITED

12-6-214/A-1, HYDERABAD ROAD, RAICHUR – 584135

WHISTLE BLOWER POLICY

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1. Preface:

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 behavior.

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.

The SEBI (LODR), 2015 requires all listed Companies to establish a mechanism called “Whistle Blower Policy” for employees to report to the management instances of unethical behavior, actual or suspected fraud.

The Companies Act, 2013 vide Section 177, mandates that the Listed Companies and such class of Companies should establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed. The vigil mechanism shall provide for adequate safeguards against victimization of employees who use such mechanism and for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company and Directors to approach the Audit Committee of the Company.

2. Purpose:

Shilpa Medicare (SHILPAMED) and its subsidiaries are committed to complying with the foreign and domestic laws that apply to them assuring that business is conducted with integrity and that the Company’s financial information is accurate. If potential violations of Company policies or applicable laws are not recognized and addressed promptly, both the Company and those working for or with the Company could face penalties. In order to promote ethical standards, the Company will maintain the workplace that facilitates reporting of potential violations of Company policies and applicable laws. Employees must be able to raise concerns regarding such potential violations easily and without any fear of retaliation.

3. Definitions:

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the applicable law.

- a. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Regulation 18 of SEBI (LODR), 2015.
- b. **“Authorized officer”** means the Officer appointed by the Board to discharge the

designated functions under this Policy including assisting the Committee or Board in receipt, investigation etc., of the disclosures.

- c. **“Disciplinary Action”** means any action that can be taken on the completion of or 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.
- d. **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- e. **“Investigator(s)”** means those person(s) authorized, appointed, consulted or approached by the Audit Committee and includes the auditors of the Company.
- f. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- g. **“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.
- h. **“Whistle Blower”** means an Employee or Director making a Protected Disclosure under this Policy.
- i. **“Whistle Officer”** or **“Committee”** means an Officer or Committee of persons who is nominated / appointed to conduct detailed investigation.

4. Scope:

- a. The Whistle Blower(s) role is that of a reporting party with reliable information. They are not required or expected to act as investigator(s) or finder(s) of facts, nor would they determine the appropriate corrective or remedial action that may be Warranted in a given case.
- b. Whistle Blower(s) should not act on his/their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Authorized Officer or the Chairman of the Audit Committee or the Investigator.
- c. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, or any Officer authorized for this purpose, as the case may be.
- d. Whistle Blower(s) must put his/their name(s) to allegation(s) and investigation may not be possible unless the source of the information is identified. **Disclosures expressed anonymously will NOT be investigated in the normal course.**

The policy covers malpractices and events which have taken place/suspected to take place involving

1. Abuse of authority
2. Breach of Contract
3. Negligence causing substantial and specific danger to public health and safety
4. Manipulation of Company data/ records
5. Financial irregularities, including fraud or suspected fraud
6. Deficiencies in internal control and check
7. Deliberate error in preparation of financial statements or misrepresentation of financial reports
8. Any unlawful act whether civil/criminal
9. Deliberate violation of law/ regulation
10. Perforation of confidential/proprietary information
11. Wastage/ misappropriation of Company funds/assets
12. Breach of Company policy or failure to implement or comply with any approved Company policy

The Policy should not be used in place of the Company grievance procedures or to be a route for raising malicious or unfounded allegations against colleagues.

5. Eligibility:

All Employees of the Company and the Directors are eligible to make Protected Disclosure(s) under the Policy. The Protected Disclosure(s) may be in relation to matters concerning the Company or its Subsidiaries.

6. Disqualifications:

- a. While it will be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. 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.
- c. Whistle Blower(s), who make any Protected Disclosure(s), which have been subsequently found to be *mala fide* or malicious or Whistle Blower(s) who make 3 or more Protected Disclosure(s), which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified.

7. Procedure:

- a. All Protected Disclosure(s) concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- b. In respect of all other Protected Disclosure(s), those concerning the employees at the level of Vice President(s) and above should be addressed to the Chairman of the Audit Committee of the Company and those concerning all other employee(s)

should be addressed to the authorized officer appointed in this regard, i.e., the Compliance Officer at the Registered Office of the Company.

- c. The contact details of the Chairman of the Audit Committee and Compliance officer of the company is as under:

Sri Rajender Sunki Reddy

Chairman – Audit Committee
Shilpa Medicare Limited
#12-6-214/A-1, Shilpa House,
Hyderabad Road, Raichur,
Karnataka- 584102

Mr. Madhusudhan Reddy

Company Secretary and Compliance officer,
Shilpa Medicare Limited,
#12-6-214/A-1, Shilpa House,
Hyderabad Road, Raichur,
Karnataka- 584102
Email: cs@vbsilpa.com

In case a Whistle Blower(s) feels that he/she has been victimized in employment related matters because of reporting about the violation of the Code, he/ she can submit a “Grievance” to the authorized officer, giving specific details of nature of victimization allegedly suffered by him/her. All such grievance(s) will be examined by the Audit Committee. The Committee will meet at regular interval(s) and examine the grievance(s) on merits. The Committee will also conduct necessary investigation of the concern and recommend appropriate action as the case may be.

While Management is determined to give appropriate protection to the genuine Whistle Blower(s), the employees at the same time are advised to refrain from using this facility for furthering their own personal interest. If proved, such cases may be referred to the Audit Committee for disciplinary action.

- d. If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Company’s Authorized Officer i.e. Company Secretary or the Chairman of the Audit Committee for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.
- e. Protected Disclosure(s) should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.
- f. The Protected Disclosure(s) should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee / Authorized Officer, as the case may be shall detach the covering letter and forward only the Protected Disclosure(s) to the Audit Committee for investigation.
- g. Protected Disclosure(s) should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to assess the nature and extent of the concern.
- h. For the purpose of providing protection to the Whistle Blower(s), the Whistle Blower(s) should disclose his/her/their identity in the covering letter forwarding

such Protected Disclosure(s).

8. Investigations:

- a. All Protected Disclosure(s) reported under this Policy will be thoroughly investigated by the Audit Committee of the Company in accordance with the normal procedure. The Audit Committee may at its discretion, consider the involvement of any other Officer(s) of the Company for the purpose of investigation.
- b. The decision to conduct an investigation is not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower(s) that an improper or unethical act was committed.
- c. The identity of a Subject(s) will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- d. Subject(s) will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing his/her/their inputs during the investigation.
- e. Subject(s) shall have a duty to co-operate with the Authorised Officer / Audit Committee during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- f. Subject(s) have a right to consult a person or persons of their choice, except Authorised Officer or the Audit Committee and/or the Whistle Blower. This may involve representation including legal representation. Subject(s) shall be free at any time to engage counsel at his/her/their own cost to represent them in the investigation proceedings.
- g. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subject(s). If he/she/they is/are found indulging in any such actions it will make him/her/them liable for disciplinary actions. Under no circumstances, subject(s) should compel investigator to disclose the identity of the Whistle Blower.
- h. Unless there are compelling reasons not to do so, Subject(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- i. Subject(s) have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject(s) should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject(s) and the Company.

- j. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

9. Secrecy/Confidentiality:

The Whistle Blower, the Subject(s), the Authorised Officer and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
- b. not discuss the matter in any informal/social gatherings/ meetings
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d. not keep the papers unattended anywhere at any time
- 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. Protection:

- a. No unfair treatment will be shown to the Whistle Blower in view 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.
- b. No one may take any adverse action against any employee for complaining about, reporting, or participating, or assisting in the investigation of, a reasonably suspected violation of any law. The Company takes reports of such retaliation seriously. Incidents of retaliation against any employee reporting a violation or participating in the investigation of a reasonably suspected violation will result in appropriate disciplinary action against anyone responsible, including possible termination of employment. Those working for or with the Company who engage in retaliation against reporting employees may also be subject to appropriate penalties.

11. Decision:

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Authorised Officer/ Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject(s) as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

12. False Complaints:

While this policy is intended to protect genuine Whistle-blower(s) from any unfair treatment as a result of his/their disclosure, misuse of this protection by making frivolous and bogus complaints with mala fide intention(s) is strictly prohibited.

Personnel who make complaints with mala fide intention(s) and which are subsequently found to be false will be subject to strict disciplinary action.

13. Reporting:

The Authorised Officer shall submit a report to the Audit Committee on a regular basis about all Protected Disclosure(s) received by him since the last report together with the result(s) of investigation(s), if any.

14. Retention of documents:

All Protected Disclosure(s) along with the results of investigation relating thereto shall be retained by the Company for a minimum period of eight years.

15. Amendment:

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason subject to the approval of the Audit Committee or Board.

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