

**CADILA PHARMACEUTICALS**  
**LIMITED**

**WHISTLE BLOWER POLICY**

## INTRODUCTION

Employees of Cadila Pharmaceuticals Limited (“CPL”) demonstrate behaviours aligned to corporate values and discharge their duties and responsibilities while observing highest standards of business and personal ethics.

CPL believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour. CPL is committed to developing a culture where it is safe for all the Stakeholders to raise concerns about any misconduct or unacceptable practice.

As per the provisions of Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates every listed company or such class or classes of companies as prescribed to establish a vigil mechanism for directors and employees to report genuine concern or grievances. As CPL falls under the prescribed class of companies, policy for vigil mechanism (whistle blower) is being established.

This Whistle Blower Policy has been formulated to enable all Stakeholders including employees and directors to raise concern against any malpractice such as immoral, unethical conduct, fraud, corruption, and potential infractions of the Code of Conduct of the Company, breaches of copyright or patent and alike.

## OBJECTIVES:

- With a view to extract maximum information on activities affecting the Company, its values, philosophy, principles and beliefs including violations of legal or regulatory requirements, incorrect or misrepresentation of financial statements, reports etc., it is proposed to bring into effect detection and prevention of any act or otherwise indulged by any employee, which is detrimental and/or jeopardizing our organizational value systems, across CPL.
- To provide appropriate avenues to the Stakeholders to bring to the attention of the management or express any issue/potential concern which is perceived to be in violation or in conflict with the corporate values and business principles, **the Vigil Mechanism** is being instituted. The scope of activities perceived to be in violation or in conflict with the corporate values and business principles is annexed as **Appendix 1** to this Policy.
- This will act as a force multiplier to detect/investigate any observations made by the whistle blower and protection of whistle blower from retaliation.
- This policy aims to protect the reputation and wealth/assets of the Company from loss or damage, resulting from suspected or confirmed incidents of dishonest behaviour/ fraud/ violation / misconduct/ wilful negligence.
- It will provide an opportunity to employees to report any dishonest behaviour/ fraud / misconduct/ wilful negligence/ suspicious activity/ critical information/ evidence, violations of legal or regulatory requirements, incorrect or misrepresentation of financial statements, reports etc.

## DEFINITIONS

“**Audit Committee**” means the Audit Committee, by whatever name called, constituted by the Board of Directors of the Company in compliance with Section 177 of the Companies Act, 2013.

“**Company**” means Cadila Pharmaceuticals Limited.

“**CPL Compliance Committee**” means a Committee of persons who are nominated /appointed to conduct detailed investigation of the disclosure(s) received from the whistleblower and to recommend disciplinary action, if required.

“**Employee**” means every employee on the pay rolls including those on deputation, contract, temporary, probationer, apprentice, trainee, part time employees / workers, full time consultants, holding permanent, honorary, ad hoc, voluntary or short term positions.

“**Director**” means a director appointed on the Board of the Company.

“**Good faith**” means 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 to be lacking when the employee does not have personal knowledge on 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.

“**Policy**” or “**this Policy**” means “Vigil Mechanism”/“Whistle Blower Policy”.

“**Protected Disclosure**” means any written or anonymous communication (including email) made in good faith that discloses or demonstrates information that may evidence unethical or improper activity

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

“**Relevant Authority**” means Chairperson of the Audit Committee, Chief Financial Officer, Head of Human Resources or such authority as designated by the Audit Committee.

“**Stakeholder**” means any person including Employees and Directors with an interest or concern in the business of the Company.

“**Whistle Blower**” means a Stakeholder who has made a Protected Disclosure.

## REPORTING RESPONSIBILITY

- All Stakeholders are eligible to raise concerns about dishonest behaviour/ misconduct/ wilful negligence/ violation of professional conduct or suspected misconduct/violations of legal or regulatory requirements, incorrect or misrepresentation of financial statements, reports etc. within the organisation or within an independent division/ department associated with it.
- Stakeholders reporting any incident of dishonest behaviour/ misconduct/wilful negligence/violation of professional conduct or suspected misconduct/violations of legal or

regulatory requirements, incorrect or misrepresentation of financial statements, reports etc. should supplement the observation with necessary facts and evidence.

- The complaint/ process should not be merely used as a medium to settle personal scores.
- 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.

**MANNER IN WHICH CONCERN CAN BE RAISED:**

- (a) Stakeholders can make Protected Disclosure through email or in writing to the relevant authority (as per details provided in Annexure A), as soon as possible but not later than 30 consecutive days after becoming aware of the same.
- (b) For the purpose of providing the protection to the Whistle Blower, it is preferred that the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- (c) Protected Disclosures should be reported in writing (including email) so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- (d) The Protected Disclosure shall contain details as specified in **Appendix 2**
- (e) In case of letter, the disclosure should be sealed in an envelope marked “Whistle Blower” and addressed to the relevant authority. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- (f) All Protected Disclosures concerning Financial/Accounting matters should be addressed to the Chairperson of the Audit Committee of the Company for investigation.
- (g) In respect of all other Protected Disclosures, those concerning the employees at the levels of Vice Presidents and above should be addressed to the Chairperson of the Audit Committee of the Company and those concerning other employees should be addressed to the Head of Human Relations. However direct access to the Chairperson of the Audit Committee is also allowed in exceptional cases.
- (h) If a Protected Disclosure is received by any Executive of the Company other than relevant authority, the same should be forwarded to the respective authority for further appropriate action.
- (i) If initial enquiries by the relevant Authority indicate that the concern has no basis, or it is not a matter to be investigated pursuant to this Policy, it may be dismissed at that stage and the decision shall be documented and suitably communicated to the Whistle Blower whose identity is known.

(j) Where initial enquiries indicate that further investigation is necessary, the investigation would be conducted by CPL Compliance Committee in a fair manner, as a neutral fact-finding process and without presumption of guilt or wrong doing. A written report of the findings would be made and presented to Audit Committee.

(k) The Relevant Authority shall:

Make a detailed written record of the protected disclosure. The record will include:

- Facts of the matter
- Whether the same protected disclosure was raised previously by anyone, and if so, the outcome thereof;
- Whether any protected disclosure was raised previously against the same subject, and if so, the outcome thereof;

### **ROLE OF RELEVANT AUTHORITY**

- To record all complaints received from stakeholders on suspected incidents of fraud/misconduct/dishonest behavior.
- To conduct investigations to identify the facts / details about the reported incident and identify the perpetrator. A report will be prepared and put up to the Audit Committee for further directions.
- To ensure the investigation will be completed within 30 working days of initiation
- To suggest corrective action and measures to prevent recurrence of such incidents.
- To ensure any information regarding the identity of the whistle blower be kept secret.
- To retain all protected disclosures received along with the results of investigation relating thereto for a minimum period of 7(seven) years.

### **SAFEGUARD TO WHISTLEBLOWER**

1. Complete anonymity shall be maintained for the person reporting the misconduct/ violation of professional conduct or suspected misconduct/ violations.
2. No employee who in good faith reports a violation/ misconduct shall suffer harassment, retaliation or adverse employment consequence.
3. An employee who retaliates against someone who has reported a violation in good faith is subject to disciplinary action upto and including termination of employment.
4. Allegations that are found to be fabricated, malicious and devoid of any merits shall be viewed seriously. The relevant authority may take suitable action against the concerned Whistle Blower(s) including reprimand.

### **AMENDMENT**

The Board of Directors reserves the right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees and directors unless the same is notified to the employees or directors in writing.

**EFFECTIVE DATE**

This policy is effective from 1<sup>st</sup> April, 2014.

**POLICY OWNER**

HR would be responsible for maintaining and carrying out subsequent modifications in accordance with the applicable regulations.

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Mr Kinjal Choudhary

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Mr Ramesh Choksi

## **Appendix 1: Scope of Activities Covered**

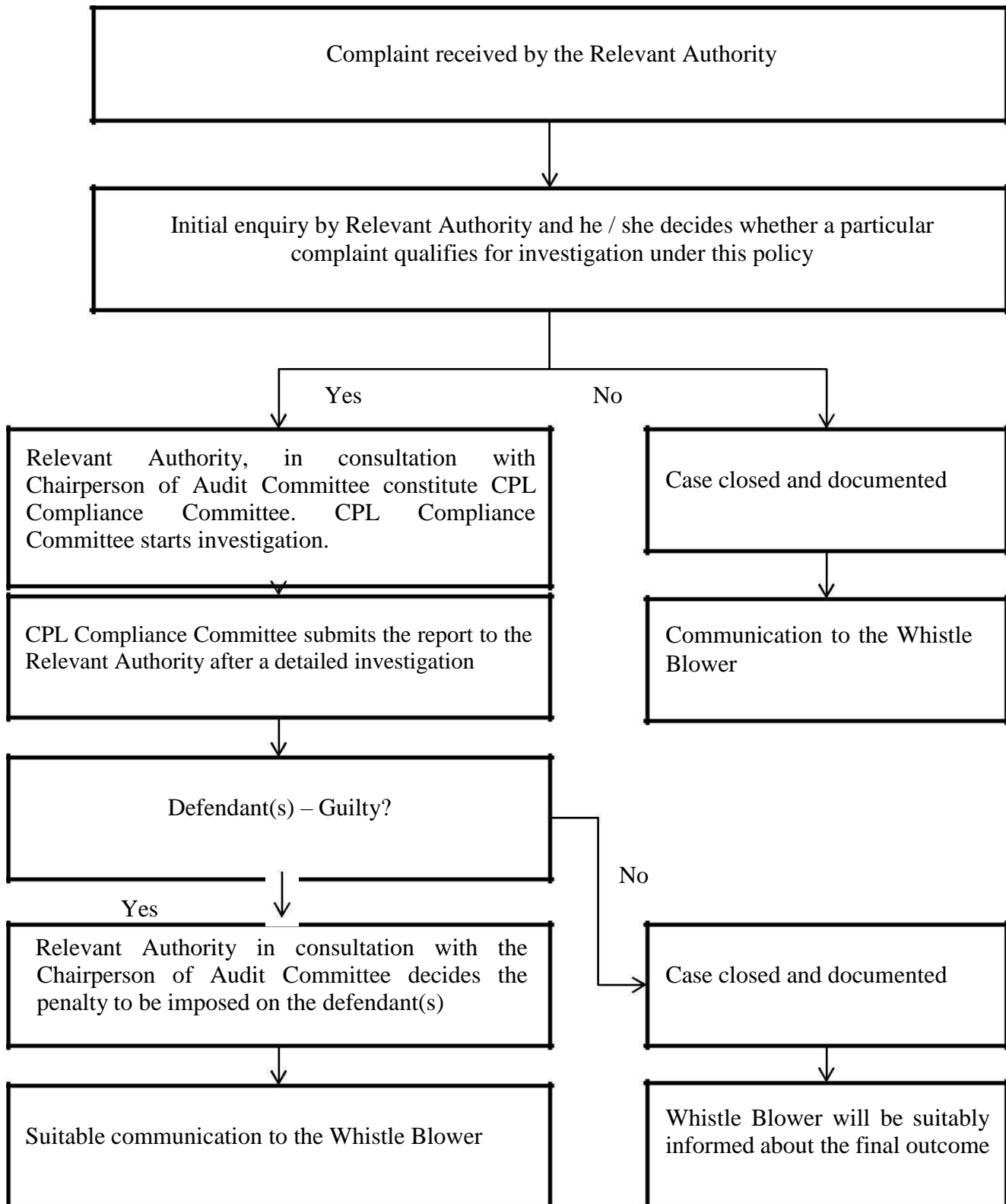
1. Misappropriation of assets
2. Embezzlement of Money/ Assets
3. Pilferage of confidential/propriety information
4. Financial fraud
5. Espionage
6. Corruption - a breach of trust in the performance of official duties
7. Accepting bribes
8. Abuse of position/authority
9. Disclosing confidential Information
10. Manipulation of Records
11. Inappropriate Relationships
12. Unethical/ Unbecoming behaviour
13. Deliberate deception to help or conceal the fraud/violation
14. Any dishonest behaviour having serious implications for company's financial outcomes, human resources and community standing.

## **Appendix 2: Details to be provided while making Protected Disclosure**

*To the extent possible, the Protected Disclosure to include the following:*

1. Name and contact details of employee
2. Division / department / location of the Company where it happened or is likely to happen
3. When did it happen or is likely to happen (date or period of time)
4. Type of concern
  - i. Financial reporting
  - ii. Legal matter
  - iii. Employee misconduct
  - iv. Health, safety and environmental issues
  - v. Others (Please specify)
5. Submit proof or identify where proof can be found, if possible
6. Who to contact for more information, if possible
7. Prior efforts to address the problem, if any

## PROCESS MAP





## **Annexure A: Contact Details of Relevant Authority**

### **Chairperson of Audit Committee**

Name	Dr. Rajiv I. Modi
Address	Cadila Corporate Campus, Sharkhej Dholka Road, Bhat, Ahmedabad- 382210
Email Id	<a href="mailto:cac.wbp@cadilapharma.co.in">cac.wbp@ cadilapharma.co.in</a>

### **CFO**

Name	Mr. Ramesh Choksi
Address	Cadila Corporate Campus, Sharkhej Dholka Road, Bhat, Ahmedabad- 382210
Email Id	<a href="mailto:cfo.wbp@cadilapharma.co.in">cfo.wbp@ cadilapharma.co.in</a>

### **Head of HR**

Name	Mr. Kinjal Choudhary
Address	Cadila Corporate Campus, Sharkhej Dholka Road, Bhat, Ahmedabad- 382210
Email Id	<a href="mailto:phr.wbp@cadilapharma.co.in">phr.wbp@cadilapharma.co.in</a>